THE New Republic

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T. R. B.

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Washington Wire

What the public doesn't know about the budget is that the President has dropped the practice of FDR and Truman of holding a personal sneak-preview of it with the press. FDR and Truman were proud of their familiarity with the government's intricate fiscal details. Reporters jammed into the little sub-basement White House auditorium, built like a motion picture theatre with a slanting floor, seated themselves in the rows of soft seats, balanced the big tomes on their knees, and fired questions for an hour or so. Truman took pleasure and pride in answering these questions himself; he sat up nights doing home work; only rarely did he have to bounce a question off to the technical advisers seated beside him.

There were three previews of the budget this year—conducted by Budget Director Hughes, Treasury Secretary Humphrey, and authorities at the Pentagon. Ike never appeared. The interesting thing is that it's just accepted around here that Ike won't appear. Nobody in particular criticizes Ike, nobody really thinks it wise for him to appear. Everybody likes Ike, and the feeling is that things are perhaps better off if he stays away. Most White House documents these days are put together by many hands. The inspirational-religious paragraphs come from Ike. There are a couple at the end of Parts A and B in the Budget Message this year.

Secretary Humphrey conducted his budget seminar all right. Personally we find him one of the most attractive figures in the Cabinet. He knows just what he wants. He wants a balanced budget. Ike may want an "Asian Marshall Plan." But Humphrey wants a balanced budget. The same about Ike's desire for an adequate defense force, and his recent very real and genuine concern about the plight of America's near-bankrupt school system. Reporters hunted in vain for any big new Eisenhower budget allocation to Asia, or for any new federal grants to schools (which Ike's strong humanitarian language in his State-of-the-Union message had indicated). As to defense, they found a curious floating promise of Secretary Wilson to cut defense expenditures another $1.75 billion in the next fiscal year, without specifying where. All the individual items put down for defense and painstakingly enumerated came to "$35.75 billion"; but the sum total put down was only "$34 billion." This was the sensation of the budget. The bookkeeping device was carried as an "unallocated reduction in estimates," which is a rather nice way of saying, "two plus two equals three."

A lot of people are asking whether America should put good roads ahead of good schools. The President has asked Congress for highway aid to the states of about $50 billion in the next 10 years, to be financed through a bond-issuing Federal Highway Corporation so the plan doesn't add to the national debt, on paper anyway. This is financing done by mirrors. Actually we are for it; we think the nation can afford it. But if roads, why not schools? The traffic congestion in schools is worse than on the roads. You can dent your car's fender and have it repaired, but who will repair a child's mind? Present classroom shortage—370,000 and getting bigger daily.

What's happened to McCarthy? He's been kept on all his committee posts with full seniority. This means that when Ike runs again in 1956, if he wins with a GOP Congress, McCarthy will be back at his old stand. Responsibility for keeping McCarthy on his same committees rests on Republican Senators. The sequence was as follows. Last December 2 a majority of Senate Republicans voted, or were paired, against censure. Victorious in New Jersey, liberal Republican Clifford Case came to Washington pledged to try to throw McCarthy off his investigating committee. The GOP Senators settled that by assigning Case to a couple of second-rate committees while keeping Joe on his powerful ones. Then the GOP Senators picked pro-McCarthy Barry Goldwater (R, Ariz.) to head the party's 1956 Senatorial Campaign Committee. The significance? An Eisenhower re-election in '56 will put McCarthy right back in command. Republican Senators aren't going to hobble McCarthy if he confines himself to attacks on Democrats. And note that the patient, high-minded Eisenhower has never publicly criticized Joe. That will make things so much easier for the '56 campaign.

We have been meaning for weeks to write about natural gas. This affects about 21 million consumers. The oil and natural gas trusts want to end the Federal Power Commission's regulatory authority over interstate natural gas. They want to charge consumers high prices. Truman vetoed such a bill in 1950. Subsequently the Supreme Court, last June 7 (Phillips Petroleum case), ruled the FPC has the duty to regulate prices. Under Ike's appointees the FPC has tried to duck responsibility. Now the oil and gas industry is starting the biggest propaganda campaign you ever saw to sell consumers the idea that natural gas should be de-controlled, in other words that you should help them charge you higher prices. The attack is on "government interference" and "socialism." The *Wall Street Journal* quotes president McCollum of Continental Oil as saying, "I don't believe there's any question we can get the average consumer to see our side. . . ." A huge "education" advertising campaign is planned, the *WSJ* announces, and committees of the gas industry will be set up in key cities to monitor your newspaper to see that it gives you the right slant. Meanwhile in Congress pro-decontrol Texans have been planted in crucial committees to get the new bill through. Texas is the powerhouse for the drive. Oil and gas come out of the same Texas wells, and the oil-depletion-allowance tax loophole of 27.5 percent has produced the fantastic crop of Texas oil billionaires. The *St. Louis Post-Dispatch* estimates that one of them, H. R. Cullen, of Houston, spent $750,000 in the 1952 campaign alone. As long as there's a depletion allowance Texas oil tycoons will be in politics. So let's all co-operate with them now and help them charge us higher gas rates.

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BEHIND THE HEADLINES

Treaty with Chiang

As now written, the US-Nationalist China Mutual Defense Pact, signed December 2, in some ways improves the strategic position of the US in Asia; in other, more important ways, it weakens that position.

The pact strengthens our Asian status by recognizing that Chinese Nationalist territory is of two kinds:

First, there is Formosa itself and its defense-outposts, the Pescadores—loss of Formosa would breach the line of radar and fighter bases (stretching from Japan through the Ryukyus, Okinawa, to Formosa and the Philippines) which shields our strategic-bomber bases in the Pacific. Accordingly, the new pact guarantees our protection of Formosa and the Pescadores.

Then there are a number of Nationalist-held islands along the China coast. They are useless to us, yet as long as our commitment to Chiang Kai-shek was undefined, he could hope, by provoking Communist attacks on these islands, to embroil us in a war leading to his restoration on the mainland. The crisis over the island of Quemoy (*NR*, October 4, 1954) last year, during which Chiang and the war party in this country screamed for US intervention, emphasized this threat. The new pact ends it by excluding the China-coast islands from our protection.

Here at home, that clarification of our commitment to Chiang partially disarms the war party; abroad, our allies are reassured. And the line in Asia which the Communists can cross at their peril only has been completed from Japan to Thailand. But these accomplishments are overshadowed by other provisions.

Chiang supposedly has been put back on the "leash"; he has been warned, we are told, that should he move against the mainland without our "approval," we would not be bound to come to his assistance. But this is not in the pact. (Why not?) In fact, the proposed treaty speaks of future negotiations for the extension of US protection to "other territories" — areas, Dulles explains, claimed by the Nationalists but now not under their control. This is doubletalk: the primary claim of the Nationalists is to all of mainland China.

Even more important is a provision which for the first time formally recognizes Formosa and the Pescadores as territories of the Republic of China. (Under the Japanese Peace Treaty, Japan surrendered all her claims to these islands, but their present and future status has not until now been defined.)

The provision probably was meant to be a tacit declaration that Chiang has a right to all of China. This will appease the China Lobby. But as Benjamin V. Cohen, a past US delegate to the UN, has pointed out, it formally involves Formosa and the Pescadores in the civil war between the Communists and Chiang. The Communists can now cite the pact as an admission that an attack on Formosa is not an act of international aggression but a continuation of the civil war, and nobody's business but China's.

Solution of the Formosa question seems to lie, if anywhere, in the direction of a UN sponsored cease-fire followed by either a UN trusteeship or the designation of Formosa as an entirely independent nation backed by international guarantees. If ratified in its present form, the new pact would preclude US consideration of any such solution.

Democrats on the Foreign Relations Committee seem inclined to brush all these points aside as technicalities. Chairman Walter George (Ga.) was briefed on the pact by his old friend, the persuasive Assistant Secretary of State Walter S. Robertson, and apparently was convinced that the proposed treaty is just like all our other treaties. But a number of Democrats have been alerted to its dubious aspects, and a few careful questions by one or two might raise doubts in the Chairman's mind and encourage him to probe deeper.

Worm's Eye View

The national committees of the Democratic and Republican parties are talking about holding their 1956 Presidential nominating and platform-writing conventions in late August and early September. The idea is to use the convention as the springboard for the campaign which will then proceed at a blitz pace until election day, November 6.

There's a worm's eye view on this whole proposition which has, as yet, to be expressed. The worms, in this instance, are the over-worked and underpaid staff men and women of the committees whose job it is to line up the research, prepare the speech outlines, whip up the television films and literature, raise the money, arrange for campaign speakers and some place for them to speak, work out itineraries, and do the thousand and one other chores that

Anchors aweigh

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constitute the backbone of a political campaign.

Contrary to a popular notion, shared by some unsuccessful candidates for public office, a campaign does not spring full-blown like Minerva from the brow of Jupiter. There's a lot of spade work that heretofore has been done in those dull, hot weeks of July and August that will now have to be done in the hectic minutes and hours of a "crash" campaign. The notion that all this can be dispensed with is a little like saying that John Barrymore could go on a stage and play Hamlet without a script by Shakespeare—or that Bob Hope would be worth $100,000 an hour to General Motors without his writers and technicians.

There's another viewpoint, not necessarily for worms exclusively. The financial qualification for candidacy would increase, with aspirants picking up the checks for two added months of costly travel, radio-TV, etc.

Late conventions and a quickie campaign will give to party insiders—bosses, if you want to use the word—much tighter control over their organizations. There will be little time to approach people who donate small individual sums to political campaigns on the basis of the candidate and the platform; it will have to be the big contributors, lined up in advance, who carry the financial load. The yeast of the political conventions takes time to ferment in such organizations as Volunteers for Stevenson or Citizens for Eisenhower. Outsiders will have little time or opportunity to influence the course of a campaign. Without advance knowledge they'll have to come along on a take-it-or-leave-it basis.

Perhaps there's some appeal in this notion for the beset Mr. Leonard Hall, chairman of the Republican National Committee. Just what there is in it for the Democrats' Mr. Butler is a little harder to see.

Next Steps Toward European Integration

ON JANUARY 17 the members of Western European Union will meet in Paris to discuss the one issue on which they failed to reach agreement last autumn—the creation of a European Arms Pool. Because the original French proposals too obviously aimed at crippling German arms production and providing a continental market for the ailing French arms industries, there is a danger that the Paris meeting will find some polite formula for pigeonholing the whole idea. There could be no greater mistake. For there are two powerful arguments in favor of integrating European arms production far more closely than has been possible so far through NATO.

In the first place, interdependence in defense and arms production is the best way to a common foreign policy. And overwhelmingly the first necessity in the period ahead will be a common approach by all the European countries toward negotiation with the Soviet Union. There is already a dangerous gap between German and French ideas on the aims of such negotiation. Russia is bound to exploit this gap by juggling with the alternatives of unity and partition for Germany. But if the European powers succeed in organizing their whole defense establishment in common, it will be very difficult for one or another to break away to make a separate deal with Russia.

In the second place, the cost of maintaining simultaneously the atomic deterrent against global war and the conventional deterrent against local aggression will soon prove intolerable unless by standardizing and rationalizing arms production internationally the burden on individual states can be reduced. Though this has long been the aim of NATO, its only major achievements have been the adoption of a common rifle round by all the NATO armies and the adoption of a common rifle by the European members.

There is obviously more chance of making progress in a smaller group such as Western European Union, particularly when progress will contribute towards the easier acceptance of Germany as a member. With these considerations in mind, the Paris meeting should at least be able to settle the lines along which to advance.

It would be Utopian to imagine that Europe could at once agree on setting up an authority with supranational powers over the whole range of arms industries. In peacetime few industries are exclusively devoted to arms production. Fertilizers and explosives, tractors and tanks, come from the same factories. And though steel potential is a vital element in military strength, in peacetime only a tiny fraction of a nation's steel production goes into arms. And though the Schuman Plan authority has greater powers than any authority likely to be set up after the collapse of EDC, it has no power to control investment with capital raised in the country concerned.

Moreover such far-reaching powers are not required to meet either of the two arguments for an arms pool. What is needed is agreement on the standard-

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Michael Straight, *Editor*
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Irvin Shapiro, *Design*

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ization and production of what might be called the critical arms—the major weapons like aircraft, tanks, and heavy artillery without which no nation can fight even a conventional war.

If the European governments could agree to equip their forces with a single standard type in these fields, even agreement to share production of each type among the various countries would produce some of the economic and political benefits desired. A country lacking its own aircraft industry is dependent on others even if it has its own tank plant. Alternatively production could be planned so that no single country produced any of the major weapons exclusively in its own territory. Even in a single country, the hull, engine, armament and electronic gear of both tanks and aircraft are usually produced in different factories. In Europe, particularly in the Rhine basin, it would be possible to divide them between different countries without much loss of efficiency.

One of France's aims is to get agreement on producing arms as distant as possible from the Iron Curtain, but this raises obvious difficulties.

If, as some believe, Germany is not at present eager to produce arms on her own territory, it may be possible, as France hopes, to arrange for German capital and expertise to assist production elsewhere. But it is certain that Germany will not agree to any proposal which even appears to discriminate against her, on strategic or any other grounds. In any case, in modern conditions the various parts of Europe do not much differ in strategic accessibility. Spain and North Africa are only a few minutes more distant than the Ruhr for guided missiles, and without all the expensive paraphernalia of air defense, may be even more vulnerable. And since the whole aim of present strategy is to deter aggression, it is worth taking military risks for the sake of economic and political advantage.

In short, if the Paris meeting confines itself to the possible, it may well reach agreements which bring great benefits to all concerned. Moreover any success in these fields reached by the Western European Union powers should act as a stimulus to NATO as a whole—a stimulus which is badly needed.

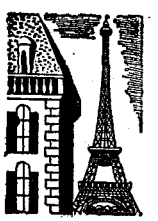
London DENIS HEALEY, M.P.

Pierre Mendes-France Takes a Trip

Pierre Mendes-France had two purposes in mind in deciding to make his visits this month to Rome and Baden-Baden. He wanted to build up pressures on behalf of rapid ratification of the Western European Union treaties in Paris and in Bonn. This entailed, above all, reaching an agreement on application (but not interpretation) of the Saar pact with Konrad Adenauer, which would deflect the most serious opposition in the Council and in the Bundestag. The Premier also wanted to discuss and combine Frenchmen, Italians and West Germans on his pet project—the Brussels pact armaments pool.

There were moreover two other purposes for the Premier's unusual journey, the first made by the head of a French government to formerly enemy territory since the end of the war. Both were related to the longer-term future, to the effective application of the Western European Union rather than to its immediate ratification.

Mendès-France wanted to make sure that, no matter what might happen formally to the WEU as a specifically military structure, a practical Paris-Bonn-Rome economic tripartite arrangement could be worked out as the core of Western European integration and, hence, as the second line of Western defense. The armaments pool might provide a basis, since in the Premier's view it would amount to a species of planning agency for production of all forms of heavy industry.



Mendès-France also wanted to get rather more than aid and comfort abroad to facilitate the solution of some of his domestic political problems. He sought help—in the form of sympathy and encouragement—from the Christian Democrats, the ardent, primarily Catholic Europeanists and crusaders for Little Europe, in Italy and West Germany.

This could be used, Mendès-France hoped, to bring their French equivalents, the Popular Republicans (MRP) of his implacable enemy, Georges Bidault, into line with his own supranationalist Europeanist purposes and methods, if not with his ideas and personality. The two French parties which may still sabotage the creation of the Western European Union form a strange combination: one is the Communist, the other is the anti-Communist and Catholic MRP. It was to get some leverage in the parliamentary battle against the Popular Republicans that the Premier's visit to Vatican City was of primary importance.

This visit was made soon after the publication by the *Osservatore Romano* of the full text—not previously made public—of the Christmas message of Pope Pius. Persons close to the Holy See consider the statement to be one of the most significant of the present pontificate and indeed "an act" of enormous political value. In it, the idea of coexistence is regarded for the first time, not as a contingent political expedient, but as a fundamental problem of the world of today—a world facing the threat of ABC war, atomic, biological and chemical war.

It is extremely bad news for Bidault and the Catholic MRP anti-Mendèsists in France that Mendès-France was well received in Baden-Baden and in Rome. It was equally bad news for the Left wing of their party—the supporters of Catholic social justice—that the New Dealing French Premier was greeted in Rome by Christian Democrats backing the Ezio Vanoni 10-year plan, an Italian version of the New Deal. And it was the worst news of all to discover that the Vatican showed interest and even sympathy in the ideas of the man whom Bidault considers a political devil incarnate.

Before the French Premier took off he left a time bomb at home. This was a proposal to change (for the 10th time in 80 years) the system by which the French elect their members of parliament. Proportional representation is to be replaced by voting in districts for individual candidates. When (or if) this bomb goes off, it will blast in two directions: the two parties which depend for their strength in parliament on proportional representation are the Communists and the Popular Republicans. The former are enemies of integrated Europe; the latter are its friends, who would sacrifice it on the altar of their hatred of Mendès-France.

Paris FRANK GORRELL

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EDITORIAL

Eisenhower's Cowardice

THE PRINCIPAL subject of President Eisenhower's press conference of January 12 was the security program and its application to Wolf Ladejinsky. The President began by saying that "no subject took so much time on the part of the Cabinet both individually and collectively as trying to get this thing absolutely straightened out." He went on to show his own ignorance of Ladejinsky's record and of the issues raised by his case.

President Eisenhower declared at various times in the press conference that he had never studied the Ladejinsky case. "He just hadn't time to take up the details on every one of these cases" . . . the transcript quotes the President as saying; "he had not been through the evidence in detail . . . he hadn't inquired into all the circumstances . . . he hadn't studied the other side of the question. . . ." The President did say that he had learned that Ladejinsky had written an anti-Communist book—a stab in the dark in the direction of Mr. Ladejinsky's many magazine articles. The President also said that the Department of Justice had set up a unit to study the security program under a man whose name he thought was Tompkins. In refuting the proposal that a citizens' commission might review the security program the President said that "Senator Bingham" was doing this kind of thing when he took office. This reference presumably was to Hiram Bingham, Chairman of the Civil Service Loyalty Review Board, the statutory body created by President Truman which President Eisenhower abolished.

Having granted his ignorance in the Ladejinsky case, President Eisenhower went on with some hesitation to complete the job begun by Secretary Benson of tearing down the good name and standing of a man who had served in government for 20 years. The President granted that Secretary Benson had fired Ladejinsky as potentially disloyal and that Mr. Stassen had rehired him as a loyal citizen qualified for important and sensitive work. This, said President Eisenhower, represented "a nice balance in the case." He declined to take sides between the two men, affirming pleasantly that "one believed one thing and the other believed another." As for himself, President Eisenhower confided to the press that Secretary Benson had brought the Ladejinsky file and read it to him. And, added President Eisenhower, "he had said, well, that would scare him . . . meaning he would take a very jaundiced look at it." How then, a bewildered reporter inquired, could the President sanction the rehiring of Ladejinsky by Harold Stassen for a new job with the Foreign Operations Administration? That was a difficult question, admitted President Eisenhower. The transcript reads:

> If Mr. Stassen thought that this man could acceptably fill the position, that it was not so sensitive that he could damage the United States and that this was a good thing for the government then he would uphold Stassen's right to do it.
>
> But remember this: Stassen had to stand responsible . . . if something would turn up to show that his judgment was wrong then he was the one that was held responsible.

The President's previous comments may be laid to ignorance, to misunderstanding, to Mr. Eisenhower's continuing desire to interpret the middle of the road as a place in which he stands as all things to all men. But it is hard to characterize this last comment as anything but political cowardice. For here the President refuses to accept responsibility for an action taken by a Cabinet member and seeks simply to absolve himself of any possible blame. The issue raised here is not just the destruction by President Eisenhower of Mr. Ladejinsky's effectiveness and reputation. It is the standing and morale of all government servants. For President Eisenhower is saying here to two million civil servants: *You owe me complete loyalty: I owe you none.*

Walter Lippmann concludes that President Eisenhower has done Mr. Ladejinsky "a cruel injustice" in denying him a moral clearance and placing him once again under suspicion at the moment when he is asked to help hold the line in Viet-Nam. That certainly is true. But the President's comment in the January 12 press conference raises further questions of a more general nature about the security program that justify further condemnation.

The President opened the press conference by saying Happy New Year. The Associated Press correspondent, Marvin Arrowsmith, responded:

> Mr. President, do you see any need for any basic revision of the Security program under which the Agriculture Department found Wolf Ladejinsky a security risk, after the State Department had cleared him and under which the Foreign Operations Administration then gave him full security clearance and a new sensitive job?

President Eisenhower replied that in any security program "judgments would differ. . . . The program wasn't perfect. It was made by humans and it was bound to have imperfections . . . while perfection would not be

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obtained, improvement would always be obtained. This was all he could tell Arrowsmith."

Next a *New York Times* correspondent asked: "With respect to the security program . . . is there anything being done or under consideration to revise it?"

"No," said the President, "other than the studies . . . they have set up for watching, trying to improve this thing." A second *New York Times* correspondent pressed for further information about these studies. At last the President conceded that a unit in the Justice Department had been set up "to have this one problem, to study how to avoid—all right—anomalies like just had occurred."

If we understand this correctly, President Eisenhower is saying that the Executive Order 10450, the basic security directive, is fine; the program is sound; the only reform contemplated lies in the creation of a central co-ordinating body to prevent government departments working at cross purposes with each other and thus creating anomalies like the Ladejinsky case.

IN THE SAME week as the President's January 12 press conference another view of the Ladejinsky case and its implications was expressed by a high government official. Harry Cain, a former Senator and now a member of the Subversive Activities Control Board, addressed a Republican Party gathering in Spokane. He declared:

> The Ladejinsky case points up practically every weakness which we can find or trace in our prevailing security system. It includes evidences of shortsightedness, ruthlessness, smugness and brutality of bureaucracy at their worst.

Mr. Cain does not share the President's view that Wolf Ladejinsky was both a risk and not a risk. He notes that Ladejinsky had served the government for 20 years, only to be fired without a trial or a hearing of any kind. He adds that "Ladejinsky was a powerful fighter against oppression and slavery long before many among us were conscious of the problem." He continues, "In his years of service no supportable question against Ladejinsky's loyalty was ever raised." Mr. Cain cites the case as one in which "our internal security apparatus has failed completely . . . in its mission of balancing the requirements of freedom with the demands of security."

President Eisenhower rests comfortably in the belief that the imperfections of his security program are those inevitable in any human endeavor. Mr. Cain is not comforted. He holds:

> We have constructed because of an imperative need . . . a system which can . . . snuff out the lights of learning while making cowards and mental robots out of free men and women . . . we have constructed an apparatus which can destroy us if we don't watch out.

President Eisenhower believes that the security system needs at most central co-ordination. Mr. Cain in contrast points to two basic defects—the President's own Executive Order 10450 and the men who administer it. First, Mr. Cain declares:

> We must employ a more meticulous care in the selection of security officers. Because of the scope and newness of the problem we are using some to judge others who are simply not qualified.
>
> Above all the nation's need is for security personnel who can tell the difference between disloyalty and nonconformity; between treason and heresy.
>
> . . . Any misfits or second raters [among security officers] are more dangerous to our future than the subversives they endeavor to catch. These are the people who indict the innocent without reason and overlook the guilty for lack of knowledge and training.

Next Mr. Cain turns to the President's Order:

> The basic criterion in Executive Order 10450 ought, I think, to be re-examined in the light of every development in the last 20 months.
>
> This criterion, that an accused applicant and employee must meet the tests that his employment is "clearly consistent with the interests" of the United States, would and does where literally applied constitute a burden which can hardly be borne by anyone.
>
> It almost makes the employee affirmatively prove that the national interest requires the retention of or continuation of his services. Who among us could do that?
>
> "Clearly consistent" can be easily construed to mean without doubts, real or fancied of any kind. It can be read to mean that mere hearsay or malicious gossip or unsupported allegations constitute doubts to be resolved in favor of the government. To my knowledge it has been so read.

Many more criticisms of a basic nature can be levelled against President Eisenhower's security program. But Mr. Cain's suffices to compel a searching review. The President would do well for once to share Mr. Cain's anxiety. President Eisenhower after all is the Chief of State who holds that his government, unlike the Kremlin, acts on the belief, "That every human being is divinely endowed with dignity . . . and with inalienable rights." And President Eisenhower is also the moralist who warns the Kremlin that we and the non-Communist world judge men and governments not by words, but by deeds.

President Eisenhower maintains that he stands above the enemy because he places the individual before the state. Next he declares that where any doubts arise over any individual in government service they must be resolved in the favor of the state. And last he forces back an order so broad as to cast doubt on all individuals. What then is left of the President's moral force? The Federal Government, for which he is directly responsible, is the realm in which President Eisenhower demonstrates most directly the sincerity of his faith. The news that President Eisenhower regards him as divinely endowed with dignity and inalienable rights will come as a surprise to Wolf Ladejinsky.

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What Asia Needs

To succeed, US policy in Asia must appreciate the realities of Asian life. What are those realities? And how well are they understood in Washington, D. C.?

by Michael Straight

THAT eminent and conservative newspaper, the *Times of India,* expresses well the shift that is taking place today in Asian opinion. To the *Times* the central question of foreign policy, since the Asian nations gained their independence, has been: *What do we hold in common with the democratic West?* Now a new question is asked instead: *What do we hold in common with Communist Asia?* The question led the five Colombo powers to organize the coming Afro-Asian Conference. The *Times of India* comments:

> The fundamental and long-term problem is to consider whether there is enough common ground between Communist China and the non-Communist Afro-Asian states to guarantee a certain minimum degree of co-operation. Much will depend on whether Peking considers itself more Asian than Communist or vice versa. If the Afro-Asian conference accomplishes nothing more than to reveal to what extent Communist China is willing to co-operate with its Asian neighbors and Arab states, it will be a worthy attempt on behalf of Asian solidarity.

Asian solidarity . . . the concept is deplorable, and like the conference itself, reactionary in its delineation of color as a dividing line across mankind. It is a depressing thought that after 150 years that brought promise as well as pain, Asia, Africa and the Near East can be excited over a gathering based on the exclusion of the West. And yet our own policy; our identification with colonial France until the bitter end in Indo-China; our concentration on military might in South Asia; our choice as chief military allies of New Zealand, Australia, France and England; and last, our pretense that a satellite regime is the Government of China have all combined to create the spirit that leads now to Bandoeng. The conference there, it seems certain, will be more expressive of disunion than solidarity. And yet among the delegates only one, Ramon Magsaysay, will speak for militant opposition to Communism. Asia's new leaders believe the time has passed in which the affairs of Asia can be shaped in London or Washington or even at the United Nations as long as the UN is held in the grip of America's Asian policy.

There is a further excitement over the success of Communist China in standing against the white world that is not yet counter-balanced by fear and jealousy of China's growing power. And there is, as the *Times* implies, a new kind of confidence—that non-Communist Asia may possess the inner strength to embrace China, and so to detach her from the Soviet world without itself becoming Communist in the process. The confidence is certainly naïve and it may prove fatal; and yet the conviction that non-Communist Asia has an important role in restraining and influencing China stands to be disproved. In commenting with some irony on the *Times of India's* praise for "Asian solidarity," the Bombay correspondent of the *Manchester Guardian* adds:

> China may well in the end find itself more restricted by these token bonds of goodwill than by all the arms of the Southeast Asia Defense Organization.

That may prove to be true. For the present, if China does not resort to military force, the decision will reflect a belief in Peking that force is not necessary in its plan. The characteristic energy of the Chinese, the new arrogance created by the doctrine of Marxist invincibility and the record of 20 years combine to inform Peking that it can be both Asian and Communist, and that if the non-Communist nations embrace Peking in the hope of converting her from Communism, it will be they who will emerge transformed.

QUITE apart from this underlying optimism the shift of opinion in non-Communist Asia coincides perfectly, from Peking's point of view, with the recent shift in the Communist line. Four years ago Peking and Moscow proclaimed that the greatest contribution of Mao Tse-tung to Marxist theory was his emphasis on military force as the legitimate and successful means of

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Communist expansion in Asia and throughout the colonial world. The line led naturally to Chinese intervention in the Korean War, and it forbade co-operation between Communist and non-Communist states. Five years later, as William Costello notes in this issue, a major shift in Communist policy has taken place. The United States has accumulated about 10,000 atomic weapons together with heavy bombers based around the Soviet world. The Soviet Union is also accumulating the power to devastate this country. But for the present, war is not a means of advancing Soviet objectives.

So the Communist leaders acknowledge with President Eisenhower the military stalemate. With stalemate comes the Communist talk of co-existence in which the weary, and the wishful thinking, see the end of struggle. But the new Kremlin line of economic and political advance is no revolt against Stalinism. It is in fact the implementation of Stalin's policy. It was initiated by the aging dictator, as Mr. Costello notes, just as Stalin directed in 1949 the "soft" policy that the Kremlin is still pursuing toward the West. President Eisenhower accepts stalemate as a time in which "every American may and must exercise his high duty to strive in every honorable way for enduring peace." The Communists in contrast are not mesmerized by words. To us stalemate and co-existence seem to signal a reduced effort. To the Communists they signal a greater effort along other lines. So Peking and Moscow move to expand their economic and political offensive in Asia while at 17th and H Streets in Washington, the Foreign Operations Administration that General Marshall inspired and Paul Hoffman built, slowly crumbles as the hour of its death, on June 30th, draws near.

To move the struggle against Communism away from the military battlefield is in itself a major gain. To move it onto the battlefield of production can mean victory. In resources, in skilled manpower, in capital and in managerial ability the Communist bloc is still far inferior to the non-Communist world. If the Russians attempt to compete, then as Mr. Costello notes, they will stretch out a yardstick in which the superiority of our system can be proved. Expanding production is the one contest in which an aroused United States is beyond anyone. And yet it is Communist China which is setting the pace for industrial expansion in Asia. Soviet economic and technical assistance to China is at a rate seven times our support of China's neighbors. We exceed it only in our isolated showplace of Formosa.

Mr. Costello demands of us a much larger program, "an assault to end poverty," as the price of containing Communist expansion in Asia. But no such program is in sight. President Eisenhower barely mentioned Asia in the State-of-the-Union Message. In his Budget Message he has sent up the same inadequate program that was approved last year. The emphasis in the program is still on military assistance for the Asian nations that will join our military bloc. And while it carries the customary small appropriation for developmental aid without which technical aid is often wasted, this form of aid in Asia is due to end. The Mutual Security Act of 1954 provides that no development funds shall be appropriated after 1955 and none spent after 1956. It further provides that the Foreign Operations Administration shall this year come to an end. A part of its staff may be transferred as a unit to the State Department; or its members may be dispersed among the geographical divisions of the State Department and so utterly lost. Or FOA as the action agency that alone can drive forward a great effort may yet be saved. Mr. Joseph Dodge is at present struggling with these problems. Until he and the President decide who is to administer the small appropriations they seek, even those appropriations will not gain Congressional support.

Mr. Costello relates the survival of democratic values in Asia to a major economic aid program. The President, the Secretary of the Treasury and the Congress disagree. They will concentrate on balancing the budget while Peking concentrates on winning Asia.

Mr. Fitzsimmons holds Secretary Humphrey accountable for the failure of the proposed program for economic aid. His analysis is no doubt sound, and Secretary Humphrey is tragically mistaken. But where, apart from his blanket prescription of private enterprise, is Secretary Humphrey wrong? The truth is that the advocates of aid have so far failed to make a convincing case to a business-minded nation. They have advanced claims of morality that bore the business mind. They have advanced statistics that the business mind suspects. And between boring morality and doubtful statistics they have lacked solid argument.

The Afro-Asian conference and the collapse of the new program compel us once again to ask: What are the basic objectives of the program we advocate?

Is aid to block Communist revolution? The honest answer is *no.* Apart from Indonesia and the border regions of Viet-Nam, Communist revolution is not an immediate threat. The alternative to continuing economic growth in India, Pakistan, Japan and other important nations, is not Communist revolution but the slow crumbling of orderly central government. The governments we wish to strengthen will not accept aid offered to combat Communism alone.

Is aid intended to raise living standards? The answer in the long run is *yes.* But for the present, inflation, austerity and perhaps even lowered living standards are the means by which non-Communist Asia, even with our aid, will match Communist gains and bring modernization about.

Is aid intended to stabilize government? The answer is only a qualified *yes.* For the measures of internal reform that can bring about long-term stability will also cause short-term dislocations and create political enemies.

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Will aid create friends in Asia? The answer in the short-term political sense is plainly *no*. The governments we wish to strengthen are increasingly committed to the concept of Asian solidarity. If we make a political alliance against China the price of aid, they will with vigor turn us down.

Will aid be repaid? The answer is *no*. The whole trend in Congress is to limit developmental aid to loans. But while the program will expand the general earning capacity of the countries we aid, the specific projects that Mr. Costello mentions are not commercially profitable. In one form or another Congress will have to appropriate and tax, if it wants the US to exert some leadership in Asia.

There is in Nehru, in Sastroamidjojo, in most Asian leaders enough of the Communist and of the democrat to permit them to lead their nations to either side. If we exert the larger effort, then Asia may slowly swing toward the non-Communist alternative and even bring China a little along the way. If we fail to match the Communist effort, then Asia will gradually be rebuilt under the guidance and in the image of Peking. Americans surely can be aroused by such a prospect. An aid program of $2 billion a year after all would not reduce living standards significantly but instead would fill one-sixteenth part of the gap between present production rates and those needed for full employment. The problem lies in the dead weight of inertia in the White House. It is not conservatism that is at fault; for George Marshall was a conservative. He was also anxious, restless and imaginative in moving to halt mounting threats. The problem is the complacency that has oozed out from the White House across the country. Why, as the President maintains, if we are near-angels and the Communists are soulless beasts, then why need we exert ourselves at all in order to win?

WHAT ASIA NEEDS

Production: Our Decisive Weapon

by William Costello

THERE is an ancient Chinese legend that always used to symbolize for me the grim and terrifying bleakness of Asian living. As the Chinese tell the story: One day in the city, the warrior of the East Gate met the warrior of the West Gate, and one said "Let us have wine." So together they went to a wine shop and sat drinking as the hours passed. At length, one said: "I am hungry—let us have meat." And the other said: "You are meat and I am meat. Why should we look farther?" So they drew their swords and ate of each other until they were dead.

This year, a quick sampling of conditions in 12 countries indicated that the legend for the first time seems to have lost its meaning. Asia is no longer cannibalizing herself. The apathy of despair has disappeared. The fire of revolution is dying out. The extremes of hope and hopelessness are being replaced by a renaissance of workaday pride and constructive realism.

Five years ago the dominant mood in Asia was fear. Its catalog was almost endless. Along the entire Asian frontier separating Communism from the free world, there were zones of chronic tension and a sense of impending tragedy. The whole Middle East was frozen in a posture of dread over the Arab-Israel dispute; Japan and Korea trembled in a power vacuum; Southeast Asia was transfixed with anxiety over the fate of Indo-China.

I recall a long conversation in 1950 with Prime Minister Nehru in New Delhi. He talked about enormous schemes for river development, for irrigation and electric power and flood control, and new opportunities for employment. His eyes shone with excitement. Then we talked about the Cold War and India's influence on world affairs in these crucial years. He frowned and with a kind of suppressed passion said: "In India today we have no economic power, and therefore no military power. Without power, no nation can hope to exert influence in the rest of the world. We must have time to build . . . time to grow strong."

For Asians the tragedy of the Cold War was that it threatened to overwhelm them, to tear down their freedom along with their lives and their livelihood, even before they could start building what they wanted. The pressure of time seemed inexorable. Nehru spoke enviously of the long decades of American isolation in the nineteenth century, during which industrial growth paved the way for military power. He and other leaders in the Orient wanted a similar period of peaceful development; they hated the Cold War, and talked pugnaciously about neutralism, because they felt themselves pawns in a game for which they had no weapons.

William Costello, Washington commentator for the Columbia Broadcasting System, has studied Asia closely since 1940. From 1946 to 1950 he covered Japan, China and Manchuria and traveled throughout Asia for CBS. He visited most of the Asian countries again in late 1954.

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In 1954 the nature of the Cold War underwent a fundamental change. The world began to work its way toward a semblance of political equilibrium. From 1947 to 1953, Western policy was to build military alliances, and to achieve a posture of strength in relation to the Communist orbit. The policy was followed as a part of Kennan's thesis that pressure on the Kremlin would necessarily create tendencies "leading either to a break-up or a gradual mellowing of Soviet power." The mellowing became visible in 1954, and when it did the grand alliance had fulfilled its major purpose. The policy of containment had worked. Communist expansionism, while still a latent threat, had lost its momentum.

It is hardly too much to say that the structure of military alliances—while vital in any program of taming the aggressive forces of Communism—has now reached the point of diminishing returns and could be elaborated only at the expense of more important projects. There are still military hazards, both inside and outside the free world. Russia is still armed to the teeth; and the modernization of Red China's army is being given the highest priority by the Peking regime. No one has yet solved the problems of Israel, of Japan and Korea, or of Southeast Asia.

Putting the worst possible construction on what I saw this year in a dozen countries of Asia, there is widespread restlessness and dissatisfaction; there is continuing poverty; there is a feeling of insecurity that might be called about par for the course. On the other hand, putting the best possible face on the situation, nowhere does one find a sense of panic or demoralization; everywhere it is possible to see evidence of greater stability.

At long last in Asia people are beginning to live better. The number of taxis and private cars increases, and they travel on more roads with better paving. Householders have more electricity, at steadier voltages, and at prices they can better afford. New wells are being drilled to provide more and more pure water—a measure of sanitation that instantly pulls the death and disease rate downward. More hospitals and schools are being built. Better agricultural methods are increasing the farmers' income; and in almost every country of Asia, retail shops are jammed with clothing, household appliances and a vast array of merchandise for the consumer.

Along with this gradual rise in the standard of living, there is a new climate of tranquillity, a growing sense of confidence. Even where Communism threatens, the anti-Communists seem more sure of themselves than formerly, aware that Communism can be beaten. Last Spring it was said that the loss of Viet-Nam or any part of it would topple the rest of Southeast Asia like a row of dominoes; I found no such psychosis outside Washington. Actually, in Thailand, the threat from across the Mekong River has roused the government and the people to a fury of constructive energy.

In short, seven years of Cold War have created a degree of political equilibrium; and the first effect in Asia has been to produce a promise of economic well-being.

The Assault on Poverty

What remains now is to find a system of containment for economic aggression. Asia's postwar rehabilitation has been largely completed. The tidying-up process is over. Now comes the period of fundamental development, of lifting the entire economic plateau to a higher level. Washington's job now is to carry out the military and political commitments already made, and to take advantage of a rising level of economic activity to offer Asia not merely a better but a good standard of living.

The race now between the United States and Soviet Russia is to invent a formula, an assembly-line that will produce a good living for anyone, anywhere. The challenge to the American taxpayer, and to American diplomacy, is to join in rallying the Western world in an assault on poverty; and the penalty for failure would be to see the Soviet Union take the leadership and the friendship of Asia.

In any future competition for economic advantage between Communism and the West, the United States and its allies will not be starting from scratch. Two unique efforts at Asian regionalism already have been undertaken—the formulation of the Colombo Plan in January, 1950, and the adoption of the Pacific Charter and the Manila Treaty in September, 1954. What makes these agreements unique is that the historical pattern in Asia over the centuries has been one of hostile isolation, of perennial warfare—tribe against tribe and neighbor against neighbor. Unlike Europe there was never even the most primitive form of collective security or defensive coalitions or regional alliances. National isolation was intensified during the colonial period when the tendency was to monopolize resources and markets and exclude competitors by strengthening the cultural and eco-

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nomic bonds between parent country and subject territory. The French and British and Dutch discouraged native intercourse between India and Indo-China and Indonesia, and they were bitter against the United States for insisting on the Open Door policy.

Trends Toward Regionalism

Hence the Colombo Plan, for the Co-operative Development of South and Southeast Asia, was a baptismal undertaking in Asian regionalism. It first brought together three Asian countries—Ceylon, India and Pakistan—and by 1952 it had six other small adherents—Burma, Cambodia, Laos, Viet-Nam, Nepal, and Indonesia—besides the United States which joined in 1951. This enterprise in statecraft engineered by Britain, Canada, Australia and New Zealand, stands in a class by itself. It has no central machinery or secretariat, no permanent headquarters, no budget or banking appendages, no permanent diplomatic staffs or missions. It is simply what the title suggests—a scheme for co-operating on economic developments; and it brings together for regional consultation nine Asian countries that in 40 centuries had never tried working in harmony for a better living. It is a wide and varied region, comprising a population of some 600 million. Some idea of its standard of living may be gained from the fact that in South Asia the average weekly food ration is about 12 ounces of grain per person; the per capita national income is well below $100 a year, and life expectancy about *half* what it is in the United States. What makes the Colombo Plan attractive to its Asian members is that none is compelled to spend more than it can afford, and then only on terms it can afford. The main emphasis has been on agricultural projects, including not only irrigation, seeds, fertilizers, extension work and community projects but also better credit and marketing facilities and land-holding terms. New capital and technical assistance have been channeled into such industrial projects as transportation and communications, the manufacture of steel, cement, fertilizer, machine tools and locomotives, and the provision of better educational and medical facilities.

The Colombo Plan is a composite of the best in international planning, know-how, financing, engineering and diplomacy. It is regarded essentially as a British Commonwealth enterprise, and the United States has wisely refrained from trying to dominate it. The logic of Great Britain's interest in the Colombo Plan was pointed out frankly by a British official in Singapore; he said the Commonwealth now (with the notable exception of the United Kingdom itself) is grouped primarily around the rim of the Pacific, and he listed the members, starting with Canada in the far northeast then swinging down through the antipodes, across to Malaya, India, Pakistan and southward along the Indian Ocean in East Africa to the Cape. Only bits and scraps of the British Commonwealth lie outside the Pacific basin; and the sterling bloc is vitally interested in the growth of regional co-operation.

It was in an effort to supplement economic regionalism with political regionalism that the Southeast Asia Treaty Conference was convened this year in Manila. The points of view represented there were a microcosm of the conflicting new Cold War pressures. Those who were directly under the Communist gun—Thailand, Pakistan and the Philippines—agitated vociferously for ironclad military guarantees; they wanted a NATO-type commitment of instant aid in the event of Communist aggression. Australia, remembering the panicky days of 1941, was tempted by the logic of this doctrine, but Australia also had to consider the needs of its rapidly growing industrial plant. The United States took a schizoid view of the proceedings. Secretary John Foster Dulles, both before and during the Eisenhower Administration, had all but made a career on the negotiation of military alliances; but in this case he had an economy-minded Congress and a peace-minded President to reckon with. He compromised by offering the Filipinos unilaterally the kind of categorical guarantee they wanted; and then by drafting a treaty that gave future Presidents and Congressmen complete freedom of action to deal with any other emergency situation.

The British had a more single-minded approach to the Southeast Asian problem; in their view, the military aspects of the agreement were collateral. What they wanted was a basis for extending the philosophy of the Colombo Plan, for supplementing its informal attack on economic development with a more aggressive organizational structure. The British took an active part in drafting Article III of the treaty which provides for co-operation in "further development of economic measures, including technical assistance, designed to promote economic progress and social well-being." For the benefit of neutralist countries opposing the Manila treaty itself, they paraphrased the same language in the Pacific Charter.

The upshot of the Manila conference is that Asian regionalism has been given fresh impetus, and the emphasis on economic planning a new avenue of expression. The agreement pays lip service to the doctrine of collective security, and theoretically it extends the American military commitment to the Asian land mass in Thailand and Pakistan; actually, however, it merely waves the atomic wand over specific rather than generalized areas. If the dangers of atomic contamination are as great as some scientists now believe, the Manila treaty can have no affirmative value unless the economic clauses are implemented on a scale both new and massive.

Background of Suspicion

In a sense the moment is historic, for the new nations of Asia are now for the first time prepared to listen rationally and even eagerly to a discussion of economic co-operation. The hysteria of nationalism has about run its course. The degree of common sense varies from

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country to country, but the symptoms are present in all.

The postwar breakup of the colonial system created a pathetically anomalous situation. For generations the subject peoples had maintained a drum-fire of agitation for political independence; they had denounced foreign exploitation with passionate conviction. The right of self-rule became the be-all and the end-all of political wisdom, and there were few with the foresight to ask how prosperity could be insured after the severance of political ties had led to economic isolation. A notable exception was the case of the Philippines, where a policy of gradualism was agreed on in 1936: 10 years of preparation for political freedom, another 15 years for the dissolution of the last trade and investment concession.

The other nations of South Asia began their independent existence with an attitude of bitter scepticism toward foreign capital. They clamored eagerly for technological aid—that was the genius in Harry Truman's Point Four proposal—but they were determined not to part with their birthright—not to sell their lands, their minerals, their forests, rivers, railroads and factories. For a glorious year or two, while the world was replenishing wartime scarcities, the Asians had a sellers' market and they cashed in greedily on their surplus rice and wheat and raw materials. Then came again the days of abundance, and a buyers' market; and Asia's bubble was pricked. In 1954, India achieved its five-year food production goals two years ahead of schedule, and Indonesia reduced its rice shortage to a mere hundred thousand tons. As a result, Burma and Thailand found themselves with huge stocks of unsold rice, and there are signs that Asia's food supply next year will be even more abundant. The notion that industrial development can be financed from the profits of food surpluses has been rudely shaken. Pakistan's golden fiber, jute, was to have been the key to easy industrialization in that country, but after one profitable year it became the most ordinary kind of commercial dross.

While these tentative experiments in trade and industry were being conducted, the new *entrepreneurial* class in Asia looked with fine scorn and ingrained suspicion on offers of foreign capital investment. They were determined not to let themselves be trapped into a new variety of imperialist exploitation. It was a wholly doctrinaire attitude. Economists tried to explain that the test of a good economic system is its productiveness; and the longer Asia's production was paralyzed by inaction, the longer it would take to achieve genuine economic uplift. All argument fell on deaf ears. The Asians imposed every conceivable restriction on foreign investment, lest by some trickery a fragment of economic sovereignty might be compromised; they limited shareholding, management, the remittance of profits, the sale of properties, the channels of marketing, and the repatriation of investment capital. Nationalism had its uses before independence, but nationalism carried to extremes in the context of an industrial society has proved a suicidal

policy for the underdeveloped nations of Asia. The policy might have been less damaging had there been alternate sources of investment capital at home; but the fact is that private capital in Asia does not find industry an attractive investment. In some cases the return is too low; traders turning their capital over several times a year often make from 30 to 50 percent profit, and 10 percent from industrial shares is considered hardly worth their attention. In other cases, as for example in Japan, capital is plowed into the family system with an eye toward liquidity and the welfare obligations of the clan. Again, in Burma for example, extra money is seldom regarded as a form of savings but rather as an instrument for gaining "merit" by devoting it to Buddhist religious practices. India and Pakistan now have gone into the capital market with industrial development bonds paying 5 percent, and the response from the public has been disappointing.

America's Decisive Weapon

At this crucial turn in Asia's industrial development—and that there must be industrial development no one now questions—the doctrine of competitive co-existence makes its appearance. In a major shift of policy the Soviet Union now soft-pedals revolutionary violence as an instrument of conquest; in conformity with the program outlined in Stalin's 1952 essay on "Economic Problems in the USSR," the Russians are launching a vast program of economic infiltration. The Chinese Reds, having no economic power with which to compete, display no eagerness to join the Soviet economic conspiracy, but the chances are they will have to go along.

Communism's new economic policy comes at a providential moment for the Western nations, and for the United States in particular. So far we have tried in vain to convince the countries of Asia that a sensible investment policy would produce benefits for them as well as for us. They rejected our advances because they suspected trickery and bad faith. Now at last they are going to have a yardstick with which to compare; there is a competitor in the field. The Asians can put their development projects out for bids—our bids against Russia's. In such competition, there can be no doubt which system

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can produce most for a dollar; we can underbid and outproduce the Russians. This means that there now exists a mechanism for transplanting the economic tenets of liberal democracy. Free from the taunt of imperialism, we have an opportunity to sell Asia what it wants on terms that Asia is willing to pay.

Already the dike of Asian hostility has been breached. In October, Prime Minister Mohammed Ali announced that Pakistan wants foreign capital, and will make reasonable concessions to get it. His government removed restrictions on the remittance of profits, and on the repatriation of investment capital; also, foreigners may now own up to 60 percent of the capital in a new industry, instead of 49 percent, and they may control the management instead of having to turn it over to a Pakistani.

Other countries face similar decisions. In Burma, Thailand and Indonesia, for example, bills have been pending for three years to liberalize controls on foreign capital. All three of those countries are in urgent need of more capital; the amounts they raise locally are insignificant. Yet, because of fiery nationalist slogans syndicated principally by the Communists, none of the countries dares enact a sensible foreign investment law.

In Burma and Thailand, the day of reckoning has been postponed by an exportable surplus of rice; while food was in short supply, they had no conscience at all about exploiting the hunger of their neighbors. But supply has now overtaken demand, and the Burmese and Siamese are crying hardship. This is a logical time for them to relax the laws on foreign investment, for a program of industrial construction would provide employment and new purchasing power. Leaders in the two countries squirm uneasily, but they have not yet brought themselves to the point of following Mohammed Ali's example.

Doing Business in Burma

Burma has in prospect a highly rational scheme for industrial development. The government hired a firm of American economists and a firm of engineers, and ordered a scientific survey of Burma's industrial and agricultural potential. A two thousand-page report proposed that national income be doubled by 1960 through the establishment of 15 basic industries, and the improvement of farm methods. The government was pleased with the report, but found it too conservative; the cabinet listed not 15 but 65 industrial projects for development by 1960. A purchasing mission was sent abroad this year to accept bids on 100 projects, only to find its whole program threatened by declining rice revenues.

Backed into a corner, the Burmese government has resorted to a questionable strategem. Premier U Nu first sent a rice mission to Red China, to negotiate a barter deal; he offered to accept either machinery, commodities or technical assistance in payment. His remaining 750,000 tons of rice, as the premier admitted to me in a conversation, was of inferior quality; and he was fully aware that we in the United States now produce more rice than we can consume. Nevertheless, when the China mission was on the verge of signing an agreement, he sent word to the American embassy that he would like to dispatch a similar mission to the United States and trade some of his moldy rice for American machinery and technologists. U Nu made it clear that, unless the United States is willing to do business on his terms, he will have no scruples about getting his industrial equipment from behind the Iron Curtain. Competitive co-existence in action.

Accountability in Thailand

The government of Thailand is fast going broke but for different reasons. It too has a surplus of rice which no one wants, but the aristocratic rulers of Thailand are not in a position to play off Soviet Russia against the United States. The Siamese since first sending a battalion to the Korean War have been outspokenly anti-Communist, and they have neither wish nor opportunity to do business with the Reds. With conservative management they might have survived this rice-depression; but the ruling class in Thailand is incapable of such prudence. Premier Pibul's is a government of hereditary aristocrats. It is made up of a very small group which in 1932 took part in overthrowing the absolute monarchy, much like the British barons of the thirteenth century who stripped King John of his divine powers. This so-called "coup group" uses the government as a feudal domain, putting state revenues in private pockets and giving the peasant serfs only what is necessary to prevent unrest. One of the devices individual members of the "coup group" employ is to create industrial concerns (cement, whisky, sugar and so on), and then to parcel out high-salaried directorships among themselves. But internal pressures for better living began to force the pace of modernization and foreign exchange for improvements is now being spent at such a rate that Thailand is threatened with insolvency. Premier Pibul recently asked the United States for money to keep him afloat. Washington authorities, being fully aware of the internal rot in Pibul's regime, and having no wish to buy any moldy rice from Thailand as well as Burma, may decide to come to his rescue, but only on condition that he installs strict accounting methods, sets up a central purchasing system, and clamps a tight banking control over all foreign exchange transactions.

Paralysis in Indonesia

Indonesia presents perhaps the darkest spot in the entire Asian picture. Its economy today is completely paralyzed. Two years ago, 80 percent of the currency was backed by gold and foreign exchange. By midsummer this year, backing had dropped to 20 percent, and in August there was a mild panic when it was "temporarily" reduced to 15 percent. Indonesia almost alone of the

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countries of Asia has nothing resembling a five-year plan or coherent industrial development scheme. It follows that almost nothing is being built. Without petroleum (which transforms a billion-rupiah deficit into a 750 million rupiah surplus), the country would be bankrupt.

An experienced traveler can see at a glance that the government of Dr. Ali Sastroamidjojo is the least competent of any in Asia, and that by refusing to tackle basic economic issues, he is leading his country down the path to Communism. In Pakistan, by way of contrast, an enlightened leader like M.A. Isphahani feels no shame in admitting that his people work only 37 percent of the time—and that 63 percent of their time is wasted (calculated on the basis of an eight-hour day)—because he intends doing something about the problem. But in Indonesia, the premier talks vaguely without more than picking at the fringes of real solutions. The Indonesians are in desperate need of outside capital to stimulate economic activity; yet they are doing their best to drive out the Dutch, just as the Burmese and Siamese are driving out the British.

The solution in Indonesia would be a new election to create a truly representative national assembly. The present assembly was appointed in the dying days of the Dutch regime, and has become infected with the most vicious kind of corruption. The only truly representative force in Indonesia is the middle-of-the-road Moslem party, the Masjumi; it would probably carry 60 percent of the vote in a popular election. All agree that the Masjumi would provide a moderate Islamic government, somewhat akin to that in Pakistan and perhaps no less pro-American. It would certainly scrap the extreme isolationism of the present nationalist-Communist coalition, and seek a flow of capital that would reactivate the economy.

Industrial planning has had its greatest success in two countries—Formosa and India. The development in Formosa, of course, is largely a product of American aid. On this tiny island of 10 million population, the United States has spent $300 million a year for the last three years—one-third for strengthening the civilian economy. The results are visible everywhere: new factories, more electric power, an industrial complex of 80 factories in Kaohsiung alone, stable prices for farm products, new private and public housing in both city and country, and a general air of almost unrivaled prosperity. Just one incidental fact: more than one-third of the farmhouses of Formosa have electricity—a level that can't be matched in any other part of Asia.

The extraordinary results that have been achieved on Formosa—and incidentally, these improvements go a long way toward making Chiang Kai-shek's army self-sufficient in expendable supplies—have been possible because the United States has supervised the spending of the money and kept it out of the hands of grafters. An American official in Taipeh told me that the Formosan program of industrialization will be complete in 1957; that won't mean the island will be wholly self-sufficient, since it lacks many raw materials, but it will have the means of sustaining a sound peacetime economy.

India: 25 Years to Go

In India, where the population of course is 36 times as great as Formosa, the first five-year plan was set in motion three years ago. Already, the food goals of the program have been exceeded by 3 million tons, and India no longer finds it necessary to waste foreign exchange for the importation of foodstuffs. The over-all plan with minor revisions is scheduled to cost $4.5 billion, with 80 percent of the money coming from domestic sources. On completion of the plan, it is estimated that the total national income should increase 10 or 11 percent.

Indian officials, trying to be objectively self-critical, told me the industrial aspects of the five-year plan have been falling short of expectations. In the first three years, expenditures proceeded at the rate of only $600 million a year; which means that the rate of expenditure would have to be doubled in the final two years to complete all scheduled projects on time. Even at that rate, the Indians estimate it will take 25 years to double their standard of living. By way of comparison, to indicate how conservatively they have set their hopes, the average per capita income today in India is 250 rupees; per capita income in the United States is 8,000 rupees, or 32 times as much.

However, the statistical side of India's development program gives a most inadequate measure of its impact on the Indian people. In human terms, the result is visible in every city and in a big segment of the countryside. Already the village improvement program has reached more than a hundred thousand of India's 700,000 villages. Many projects are only getting under way, but in the eyes of villagers who for centuries have been steeped in misery and despair, this is something like the millenium. Already there are two specific signs of national awakening. The first is the voluntary labor movement, by which tens and hundreds of thousands of farmers and townspeople are contributing free labor to hasten the completion of public improvements. The second is a plan to poll every village in India before 1956, when the second five-year plan begins; and, by 1961, to carry the village improvement program to every hamlet in the land.

In this context a system for the containment of economic aggression cannot be merely static and negative. It must offer something positive. On the other hand, it should not offer more than Asia is capable of accepting. Development cannot be forced unrealistically. Prime Minister Yoshida of Japan told a Washington audience a few weeks ago that Western economic developments in Asia are wholly inadequate. Western nations, he said, are investing only about $400 million a year; they should be providing 10 times that much capital. If Mr. Yoshida had taken the trouble to visit southern Asia at any

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time during the postwar era, he could never have permitted himself such a blunder.

More capital is needed, yes. Asia is threatened with new economic convulsions unless capital can be found to hasten the pace of industrialization. But some parts of Asia are already extending themselves almost to the limit of their strength. Asia as a whole could not conceivably absorb $4 billion a year in new capital; not at this stage of its development. Asian governments would not welcome that kind of money; they would regard it as a form of imperialist penetration.

Competing With Communism

In determining a new economic policy for Asia, the needs of the Orient cannot be considered without regard to the pressures of Communist economic policy. At the moment, Moscow has chosen to emphasize that it sees the rivalry between East and West in terms of economic and political rather than military competition. It would hardly be wise to take such an interpretation at face value. It is well to recall that Lenin regarded the Orient as the key to victory over capitalism and proclaimed that the doorway to Europe lay through Hongkong and Calcutta. One of his first acts after the establishment of the Bolshevik regime was to maneuver awkwardly to seize power in India. That was in 1921; when he failed, Stalin abandoned Asia for a generation.

After World War II—after the failure of the Kremlin to overrun Western Europe in a series of coups—pressure was shifted from Europe to Asia. Subsequent policy there has followed a classical Communist zigzag pattern. From 1945 to '48, the Reds attached themselves to the nationalist cause and wheedled leftists of every persuasion into united front movements. In 1948, orders were issued for an activist policy of revolution aimed at the seizure of power in their own name. It was this policy that produced the Korean War, which became in the end Communism's greatest postwar disaster.

With the death of Stalin in 1953, Kremlin policy began a strategic retreat, first with peace in Korea, then in Indo-China, then with the surrender of Luis Taruc in the Philippines, and overtures for a peace treaty with Japan. Talk of co-existence rose from a whisper . . . to a murmur . . . to a babble.

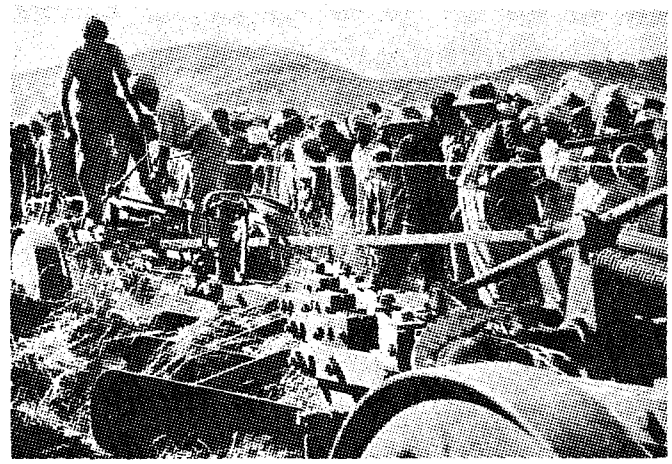
A realignment of American policy—especially in Asia has become inevitable. But we should be clear on one point: the meaning of co-existence will have to be *defined*—not by the Reds but by us—if the terms of co-existence are to be acceptable.

In effect this means the continuation of political warfare—and the use of trade as an instrument of ideological penetration. It means co-existence on the most limited kind of scale—and perhaps competition on a fiercer scale than anything we have yet known.

During my recent trip through Asia, an American diplomat warned me that the time has come for Congress to modify drastically its foreign aid philosophy. Up to now, he said, the emphasis has been on military aid and Point Four TCA funds. Military aid will have to continue, but it promises diminishing returns; the Point Four program is useful but only in a marginal way. It is too impermanent and it operates on much too trivial a scale. What we need, this diplomat said, is a program of major capital improvements: new trunk highways and railroads, better waterways, multipurpose dams for the creation of integrated agricultural-industrial areas, new harbors and communications systems. The need now is for impressive projects expressing faith in the long-range future—an earnest of our belief that Communism is not going to seize these improvements and a taut warning to the Reds that we are ready to defend what we build.

In Washington, this new global economic thinking has already taken root. The Foreign Operations Administration has been sketching out a plan for "massive aid" to replace the boondoggling philosophy of Point Four. The president has called in former Budget Director Joseph Dodge to survey the problem and its impact on the American economy. So far the Republican Administration has shown little sympathy with long-range projects calling for the use of public funds; and Treasury Secretary George Humphrey stands ready to veto any such scheme. Against this philosophy is arrayed the pressure of statesmen like Premier Mohammed Ali of Pakistan, who says in justification of government developmental schemes: "We don't want to socialize; we want to stimulate."

Then there are two other cogent arguments being brought to bear on the Administration's high policy-makers. One points to the fact that, if the Soviet Union undertakes a program of economic penetration, competition will be based on state subsidies; we are either going to have to match their subsidies or lose by default. The other is that the *laissez-faire* policy of the Republican Party did not win the 1954 Congressional elections and came within an ace of causing a US depression before it was modified. If the Republicans have any hopes for 1956, they are going to have to find markets for our industrial output—in Asia if that's where the markets are, and by subsidies if that's what it takes to keep them out of Communist hands.



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WHAT ASIA NEEDS

Trade: A Necessity for Japan

by Jerome B. Cohen

Poor Mr. Yoshida! His economic policies were just beginning to take hold and produce results when his exit cue came as Premier of Japan. Whether it was Mr. Dulles or Mr. Humphrey who pulled the rug from under him isn't yet clear, but it is apparent that Washington had as much to do with it as Tokyo. For when Yoshida left the United States in November with only a few kernels of grain in his pocket to munch on, his downfall was assured. After all it cost the Japanese scarce dollar exchange to send him here, and if all he could do was bring back some surplus wheat which Japan was going to get anyway, he had obviously outlived his usefulness. Once his enemies saw that the Premier had lost his touch they moved swiftly to bring him down.

Why did Mr. Dulles do this to his old friend? To be sure, Mr. Yoshida's bill—his $4 billion Marshall Plan for Asia—was a bit high, and it wasn't very original but everyone knew that he wouldn't insist on that. The Administration's Aid for Asia program *could* have been gift wrapped for the most openly pro-American of Japanese political leaders. Why only a little wheat?

There are two obvious possibilities. Either Mr. Humphrey said no or our Embassy in Tokyo reported that Mr. Yoshida had overstayed his time and that the rising anti-Americanism in Japan could best be dispersed by allowing its force to be spent in pushing the Premier out. Should the West lose Japan to Communist imperialism it is not likely that Mr. Humphrey will be labeled a security risk. But God help those who wrote the dispatches from Japan!

When Yoshida, under US pressure, introduced his austerity program at the end of 1953, he took a calculated risk. The risk was that the resultant increase in unemployment and small business failures would multiply his political enemies. The calculation was that the consequent leveling off of prices, lowering of costs, expansion of exports and better balance of payments position would result in a substantial loan from the US which would keep him in power. The risk developed; the calculation did not.

If Mr. Yoshida was sacrificed, his program survived. Prices which reached a peak in February, 1954, have since leveled off. The latest Ministry of Finance estimate indicates a favorable balance in Japan's international accounts for fiscal 1954 of about $180 million as against an original estimate at the beginning of the year of a $90 million deficit. It is now predicted that the government's holdings of foreign exchange, which totalled less than $800 million in March, 1954, will approximate $980 million in March, 1955. A much better balance between exports and imports has been achieved with the trade gap considerably narrowed.

But in spite of all this Mr. Yoshida got neither loans nor grants. US aid, once close to a half billion dollars a year, dwindled under Mr. Humphrey's guidance to the supply of surplus agricultural commodities valued at about $100 million, of which only $15 million was a free gift. The realistic Japanese concluded that it was obviously time for a change. Mr. Yoshida's successor, Ichiro Hatoyama, would have been Prime Minister in 1946 had he not been purged by General MacArthur. (He was eliminated then because, after a trip to Europe in the 1930's, he wrote a book which contained praise for Hitler and Mussolini.) Hatoyama is, like Yoshida, an old man (73) and as conservative. His Finance Minister, Hisato Ichimada, was Governor of the Bank of Japan under Yoshida and the real architect of the austerity program. It seems certain to continue with the support of farmers and financiers. *Mainichi*, a leading Tokyo newspaper reports:

> For a year or so from now on, unemployment relief is all that we can do; there is little or no hope for a rise in the standard of living yet. After the lapse of this preparatory period, however, we may perhaps shift to equilibrium with expansion.

But expansion where? The panacea Japan yearns for lies in trade with the Communist bloc. The new government declares that it "hopes to increase trade with Communist China and the Soviet orbit within the periphery of co-operation with the free world." Trade of course means diplomatic relations. And Mamoru Shigemitsu, Japan's new foreign minister, has announced:

> We are, therefore, willing to restore normal relations with China and Russia on mutually acceptable terms without prejudice, however, to our basic collaboration with the free nations.

The demand for trade with China has followed inevitably the ending of the Korean War in which Japan served as staging area and economic base. Moving with the public clamor the new Hatoyama government has promised to relax the application of the Battle Act em-

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Mr. Cohen, associate professor of economics at the College of the City of New York, is the author of Economic Problems of Free Japan, (*Princeton, 1952*).

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bargoing export of strategic goods in trade with Iron Curtain countries. Japan was subject to more stringent regulations than our other allies in her trade. Now the Foreign Minister declares:

> As for trade with the Soviet Union and China, we do not necessarily expect much from it at the present juncture, but, all the same, we shall welcome opportunities of expanding the volume which is now rather small.

The latest Japanese White Paper on Foreign Trade indicates in fact that exports to Communist China in 1953 amounted to 0.4 percent of total Japanese exports compared to 18.3 percent in 1934-36. Imports from Communist China were 1.2 percent of total Japanese imports in 1953 as against 11.8 percent in 1934-36. In Japan there appears now to be a nostalgic longing to regain these prewar trade levels with China. In some extravagant statements the China trade is described as the panacea for all Japan's trade ills.

Aside from the obvious political perils which dependence upon such trade would involve for any Japanese government whether conservative or socialist, Japanese businessmen seem to forget that the China trade was based on a colonial relationship that had to be enforced by Japan, at times with punitive measures, and that was resisted with periodic regularity by the Chinese. If China resumes extensive trade again with Japan, it certainly will not be on the old basis of selling raw materials cheaply and buying low quality consumer goods at relatively high prices. With trade wholly in control of the state, China will probably buy almost no consumer goods. She will wish to concentrate on machinery and equipment, and it remains to be seen if the USSR will not want China to buy these items from Soviet plants exclusively. There is a further question whether Peking will have very much to sell particularly in view of the requirements of China's own industrial expansion, which is consuming more and more of her own iron ore, coking coal and raw cotton. Nor is it likely that China will deal with the Japanese middlemen who at present so eagerly contemplate the reopening of the China trade. What China buys is likely to be purchased from Japanese government agencies at prices which eliminate middlemen's margins. For these reasons the panacea is likely to be illusory.

This is the reality of the situation and responsible Japanese know it. But national elections are due. As the political campaign grows hotter, the appeal for the leftist, anti-American vote naturally tends to take the form of sponsorship of the demand for increased trade and closer political relations with the Communist countries. Only Mr. Yoshida's party, the Liberals, now headed by Taketora Ogata, abstain from this form of demagoguery. On a recent political tour Ogata charged that Hatoyama's party, the Democrats, were misleading the voters with false promises of vastly increased trade with China and Russia. When the campaign is over, if the conservative parties should then win, these promises will doubtless recede into the background for the conservatives are not yet in any position to offend the United States. Even the Socialists, who wish to be more aloof from the United States, will not want to become dependent on the Communist powers. In the event of an election victory a socialist-led Japan would take a position somewhat similar to that of India.

However, the commitments of the Socialists to full employment, public works, small business expansion and an end to the present austerity program will pose a real dilemma if they gain power. All these things add up to a renewal of Japan's postwar proclivity to inflation and inflation for Japan is economic madness because it will result in her exports being priced out of world markets.

FUNDAMENTALLY, the position of Japan in the trade of the world is much the same as that of Great Britain. Each must contrive to live on imports made possible by the proceeds of its exports. The Japanese position, however, is not as strong as the British, for Britain has the support of its Commonwealth, and the sterling area, its normal trading block, is relatively intact and provides a vast market as well as a source of supply. Japan, in contrast, is hemmed in by the currency and trade barriers of other nations. Apart from the transient economic advantages caused by developments such as the Korean War the status of Japan's production and its standard of living will depend in good part on the relative prices of what it exports to what it imports. Japan relies on overseas supplies for 100 percent of its raw cotton, rubber, nickel, bauxite, tin, and phosphate rock, 95 percent of its raw wool, 90 percent of its petroleum, 82 percent of its iron ore, 80 percent of its salt, 70 percent of its heavy coking coal, 50 percent of its manganese, and 20 percent of the food it consumes. For such a country a socialist program which produces inflation and prices exports out of world markets spells disaster and contains the seeds of its own termination.

To the extent that the conservative parties in Japan recognize that a lowering of costs and an expansion of exports is needed, they are on the right track. In 1937 Japan's share of world trade amounted to about 5 percent. In the early 1950's, her imports were about 2.5 and her exports 2 percent of world totals. The increased share of world trade which Japan needs to make the position of any political party tenable, can come from a slight expansion in total world trade, from a lowering of tariff barriers abroad, from Japan's admission to GATT, from an elimination of exchange controls and an extension of currency convertibility, from accelerated economic growth in South and Southeast Asia, in Latin America and in Africa. As long as the free world moves toward these objectives the Japanese are likely to conclude that the trading gains that mean life or death for Japan will come from ties with the West rather than from economic links to the autarchic Communist world.

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WHAT ASIA NEEDS

Investment: Moscow's Offering

by Tom Fitzsimmons

SOMETHING unprecedented in terms of challenge to the West has happened in Asia. The Colombo Powers (India, Pakistan, Burma, Indonesia and Ceylon) have invited 25 other self-governing Asian and African nations, including Communist China, to meet with them in April at Bandoeng, Indonesia. Some may not accept, but those that do—the vast majority, probably—will be participating in what will amount to a judgment of the West. They contain more than half (1.3 billion) of the people in the world.

Almost all these countries are former political and/or economic dependencies of the West; in meeting to discuss means of promoting "economic, social and cultural" co-operation and "problems affecting national sovereignty and of racialism and of colonialism," they will in effect be asking: what can we expect from our past masters in the way of help and hindrance in our efforts to enter the Twentieth Century?

Since the Rio Conference of American States last December was attended by an unusual number of Asian and African observers, the Bandoeng delegates will be able to cite chapter and verse as to the kind of US foreign aid to be expected. Premier Chou En-lai of China, on the other hand, can be expected to recall at length the sordid history of Western imperialism while pointing to the industrial gains his own nation has made as proof that his is the model to follow.

And it seems inconceivable that Chou should miss so good an opportunity to trump our performance at Rio by presenting, in however general terms, a better aid program for the underdeveloped areas. He will be bidding for leadership of an immense number of people. With Russia's backing, he can promise much. His ability to deliver might be questioned by some of the delegates, but the question would be largely academic if the program he outlined indicated greater understanding of and sympathy for the problems of his audience than the already suspect West has shown. To give his proposals some solidity, he could point not only to the results of Russian assistance to his own country, but to a number of Communist trade-treaties and aid agreements with other Asian nations—the early fruits of the relatively recent Communist economic offensive in Asia.

Fortunately Peking and Moscow have only begun effective economic penetration of this area. The facts still are on our side: US economic and Point Four programs, the British Commonwealth "Colombo Plan for Co-operative Economic Development in South and Southeast Asia," and the UN Technical Assistance programs have accomplished some exciting gains in Asia. And if sometime before this April conference, the West were to call attention to these evidences of their good-will in Asia, at the same time announcing a bold program of future assistance, the Communists could be put on the spot. The scheduled meeting in February of the Manila Pact powers at Bangkok might provide such an opportunity (and one also to minimize the purely military aspects of that Pact).

What facts could we point to? Just what have we done, as compared to the Communists, to help the non-Communist nations of South Asia?

Ceylon is the smallest of the South Asian nations—an island off the tip of India. She has under way an ambitious development program, much of which she is financing herself. Outside aid has come almost exclusively through the Colombo Plan, which, since its inception in 1951 has authorized Ceylon some $12 million in capital aid; $6 million has been received and spent. Canada has picked up the biggest part of the bill, paying for a technological institute, port and airport equipment, 15 fully equipped agricultural maintenance workshops, and several diesel locomotives as well as helping in the development of fisheries and roads. Australia has financed agricultural, irrigation and health projects while New Zealand has provided a "dry farming" research center and England has concentrated on sending and training technicians.

In addition, Ceylon recently qualified for a World Bank loan of $19 million. The money is to be used to increase the generating capacity of Ceylon's first hydro-electric project.

America has provided no direct aid to Ceylon. While we were bargaining with her over the price of rubber in 1953, Red China offered to swap 250,000 tons of rice a year for 50,000 tons of rubber. Ceylon, which must import two-thirds of her food, signed a 5-year contract, thus coming under the Battle Act provisions which forbid US aid to nations selling strategic materials to the Communist bloc. Ceylon has no other formal economic ties with the Communists, but this year China is giving more rice for the same amount of rubber—probably aiming to make the arrangement one Ceylon might like

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to continue indefinitely. Russia has made vague offers of technical and capital aid.

Thailand, which borders the length of Indo-China, is most closely allied to the US. Equipment and training of its armed forces is in American hands and the government abides by our policy decisions—with the result that many Asians consider the country an American colony. But another result is that American funds and technicians have been readily available for development programs. And the World Bank has provided more than $25 million for railroad workshops, irrigation projects and harbor improvements. Thailand has only just become associated with the Colombo Plan. She has no economic ties with the Communist bloc and has as yet received no offers of any.

Pakistan, less threatened than Thailand and much bigger, has become our major military ally in South Asia. Industrialization here has been hindered by the geographical division of the country, and by her dependence on jute and cotton for 80 percent of her foreign earnings.

US aid has reached over $100 million and has been largely concentrated in agricultural development and some factory and road construction. The World Bank has loaned nearly $45 million for desert irrigation, diesel railroad equipment, and a natural gas transmission line. Under the Colombo Plan, Australia, Canada and New Zealand have supplied some $43 million in industrial equipment and supplies.

Pakistan has no important economic ties with Communist nations, she does a limited amount of trade with China, and has a barter agreement with Russia.

Burma is "uncommitted" in the Cold War. She suffered immense destruction during World War II and during the early postwar years her efforts to rebuild were hampered by the presence of both Communist guerrillas and refugee Nationalist Chinese troops. Lately, however, she has made good progress in the fields of land reform, agricultural production, and industrialization, health and education.

On July 30, 1953, at the request of the Burmese Government, US aid was terminated. Some $18.5 million in technical assistance and supplies have been sent for specific projects in education, forestry development, hospital construction, engineering training, and, especially, agricultural development—rice accounts for 70 percent of Burma's exports. Some 50 UN technicians are working in Burma, and the Ford Foundation has established several training programs in business administration and industrial management as well as the technical fields. Future economic development is being planned by an American firm of economic consultants (Robert R. Nathan Associates).

As one of the leaders of "uncommitted" Asia, Burma has received much attention from the Communist economic strategists. Advertisements for Russian machinery appear in Rangoon newspapers at frequent intervals, China has proposed an exchange of students, and lower press, telegraph and radio rates between the two nations. A few weeks ago, an agreement was reached whereby Burma is to send 150,000 to 200,000 tons of rice a year to China for the next three years in exchange for industrial installations and equipment, and consumer goods. China has also offered technicians and experts to help develop Burma's silk industry and "otherwise co-operate." Trade missions from Russia and the European satellites probably will come to Rangoon during the coming year.

Indonesia, a Dutch colony until five years ago, is an immense group of islands stretching out over an area wider than the US. Its unexploited natural resources make it potentially one of the richest nations in the world. At the moment, however, its economy is in very poor shape. Rubber, oil, tin and copra are the chief exports—all subject to severe price fluctuations in the world market.

US economic aid has included a grant of $24 million and an Export-Import Bank loan of $100 million, mostly for agricultural and fisheries development. Under the Colombo Plan, Australia has sent buses, trucks and tractors and marine engines, while New Zealand and England have established trade training centers. The Ford Foundation is training teachers, and the UN has sent some 150 technicians and experts.

An active Communist Party, strong in Parliament, and a large Chinese population have created pressures favorable to Communist economic strategy, and Indonesia recently has signed trade agreements with Czechoslovakia, Poland, Rumania and Hungary as well as Communist China, all involving the exchange of raw materials (including tin and rubber) for manufactured goods. The agreement with China is of considerable propaganda value to the Communists. Appended to it is a very long list of "available" manufactured goods, probably not available for export at all, which to hungry-for-industrialization Asians looks very impressive as evidence of China's advance.

The European satellites have begun offering technicians to Indonesia and Russian offers of capital aid are expected shortly.

Afghanistan lies between Russia and the Khyber Pass, the traditional invasion route into the Indian sub-continent, and it has been a goal of Russian expansion since the days of the Czars. In an effort to develop the country's still primitive economy, American technicians working with Export-Import funds ($1.5 million a year during the past three years) have helped complete two major irrigation projects and currently are working on a flood control program.

Russia, on the other hand, has provided money, equip-

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ment and technicians to pave the streets of Afghanistan's capital, Kabul, and to build grain and gasoline storage facilities, as well as a bakery and a flour mill. Czechoslovakia is providing a cement plant, a leather-processing factory and a textile mill. Repayment will be in barter—thus establishing trade patterns which could be developed and made permanent.

India, containing 357 million people, and destined to become a major power, is the scene of the most ambitious industrialization plan in all South Asia. The first Five Year Plan already has produced considerable results—agricultural production, industrial production, money supply, all continue to rise—and plans for a second Plan are nearly ready. The West has played by far the leading "foreign" role in India's development, but it is here that the Communists are making their most determined bid.

Apart from a wheat loan of $190 million, the US had up to this year authorized nearly $200 million worth of development and technical aid for India. Fertilizer, steel, medicines; hydro-electric, railroad and training equipment, are some of the things included.

India has received substantial loans from the World Bank, and, under the Colombo Plan, millions more in equipment and food from Australia, Canada and New Zealand. Five million dollars from the Ford Foundation has gone into educational and training centers.

Until recently the Communists had concentrated on establishing a net of trade agreements with India. An intensive advertising campaign in the Indian press began in 1953, and by the end of 1954, Bulgaria, Czechoslovakia, Hungary, Poland, Rumania and East Germany all had obtained some form of agreement—usually for one or two years. In 1953, India signed a five-year trade pact with Russia, and late last year, a two-year pact with China. Provisions for supplying India with technicians are included.

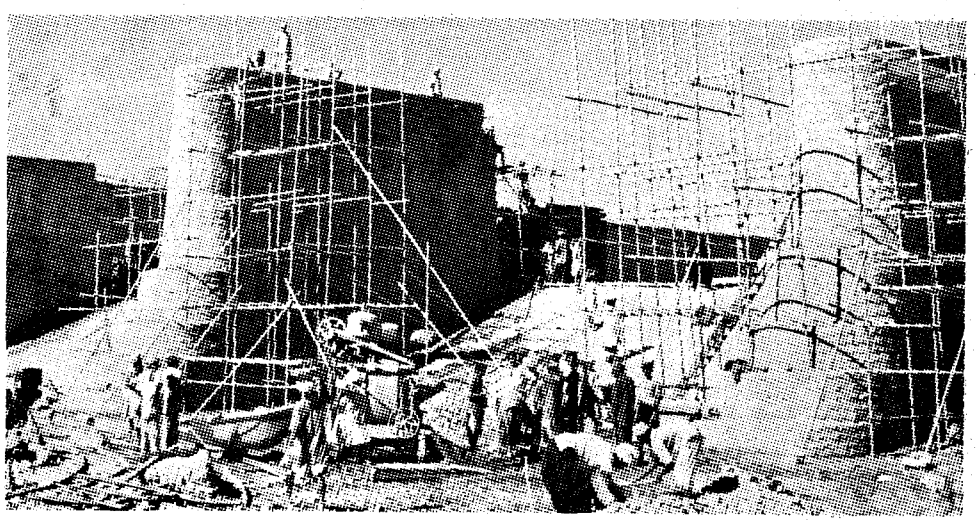
Then a new phase of the Communist economic offensive opened last year when Russia bid to construct a steel plant with an annual capacity of 850,000 tons for the Indians. Offering terms Western private investors could not meet (an omen?)—2.5 percent interest; the loan to be repaid over 10 to 15 years after the plant began producing—Russia seems to have clinched the contract.

So far, then, the West has contributed far more to the advancement of South Asian ambitions than the Communists have. But the delegates at the Afro-Asian conference will be thinking of the future. To already industrialized Japan, Communist China has held up the prospect of increased trade as an end in itself. But in South Asia, Communist trade promises and agreements are a means to an end.

Most of these nations—sharing China's goal of industrialization—need the same things that China needs, and China has had first call on what capital and equipment Russia and her European satellites can spare. This fact has held actual Chinese trade in the area far below its prewar levels. But by signing agreements, making promises, and offering better terms than the West for a few important items like rubber, the Communists have been able to keep open many doors. Now they are beginning to offer what at the moment interests South Asians more than trade: technical assistance and money.

For nations trying to industrialize, trade can raise only a tiny fraction of the capital they need. If they are democratically governed, the amount they can raise internally is limited by how much additional austerity already very poor people will tolerate. The bulk of the required capital must come from foreign private investors, and loans and grants from foreign governments. And since many of the projects fundamental to industrialization—technical training, health improvement, discovery of resources—are not profit-making projects, inter-government loans and grants are essential.

The US is the world's largest source of capital. But US Treasury Secretary George Humphrey believes that Communism can only be beaten by the thing which bred it: *pure* private enterprise. That the US attained its present strength by avoiding both extremes makes no impression on him. At Rio de Janeiro he demonstrated his concept of how to win for democracy the enthusiasm of illiterate, diseased and hungry people determined to change their lot: create, he said in effect, with no help from us, an economic situation so attractive that private investors will come flocking in with bagfuls of money to help you industrialize; this may be slow, but its pure. If the US sticks to that line, it shouldn't be hard for China and Russia to outbid us in Asia.



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Memoirs of a "Subversive"

by John P. Roche

ALTHOUGH I enjoy conversation and reminiscence as much, if not more than, the next man, talking about war experiences has always struck me as a symptom of senility. Not that I don't have a few choice anecdotes to tell, but these are hardly of the blood and guts type; on the contrary, they generally point up the basic question which has haunted me for a decade: If our Army was efficient, what did an inefficient Army look like? The war to me was a great stretch of empty time, broken by sporadic fits of activity, in which I lived an essentially vegetable existence. I hated military life, I detested discipline, and above all I was angry with myself for adapting so easily and comfortably to militarism, discipline and vegetablism. Once discharged, I avoided all attempts to glorify the "good old Army days," and only reluctantly joined the American Veterans Committee, an organization dedicated to the withering away of professional patriotism.

However, recent events have created in me an ever-growing compulsion to pull out my barracks-bag of memories and join the minstrels. I do not wish to be misunderstood—I am not joining the Legion or the VFW, and I am certainly not going to march in any parades. But the recent burst of headlines about my old alma mater, the Army Information-Education Program, has led me to compromise my principles and set down this chronicle. The Jenner Committee, in the course of its industrious quest for the conspirators who got us into the Twentieth Century, turned up some wartime Information-Education functionaries as probable Communists, and the newspapers screamed *Communists Infiltrated Army Education Program.* The impression that the Committee's findings left with the casual reader was that I. & E. was virtually the American distributor of *Pravda*, if not an arm of the NKVD.

Now I enjoy a good spy story, but too much is too much. I was an Army "subversive": for two years I pushed I. & E. propaganda on the troops, I attended the I. & E. School at Washington and Lee University, and I read all the publications of the division. Furthermore, I was, as I still am, a militant anti-Communist liberal who had been through the ideological wars, and could spot the CP pitch a mile away. In view of these qualifications, I should like to advance a quite different interpretation of the effectiveness of Communist activity in I. & E.

There are two separate problems which must be considered: first, what influence did I. & E. have on the views of the average soldier? and, second, how successful were the Communists in infiltrating the I. & E. operation?

From the outset, the I. & E. program, an imaginatively conceived effort to explain to the American soldier why he fought, met with tremendous hostility. Externally, it was attacked regularly by Congressmen and newspapers who felt that the program was an effort by the New Dealers to impose their public policy on the GI. Indeed, the educational potential of the program was enormous, for here was a huge captive audience, its individuality broken down by the deliberate and rigorous collectivism of basic training. To the right-wingers it appeared inevitable that Roosevelt would inscribe the dogmas of liberalism on this *tabula rasa.* But as usual, the President's cunning was overestimated by his enemies.

Internally, I. & E. also met with bitter opposition from old-line Army officers, who maintained that the whole idea was a waste of valuable time, if not dangerous nonsense. In the view of this group, the function of the soldier was not to think. It made no difference to the troops why they were in the war—their job was simply to do what they were told. Some went further, asserting in effect that if you let an enlisted man read a book, you might as well shoot him. This variety of anti-intellectualism was endemic in regular Army officers, and consequently, when orders went out from Washington to all commands that one hour per week was to be allocated to Information-Education, many key line officers did everything in their power to sabotage the undertaking.

To cite my own experience, which I learned from other I. & E men was not atypical, our Base Commander appointed as I. & E. Officer the most egregious idiot who ever graduated from Army Air Forces Administrative OCS. As one of the three enlisted men on the post who had graduated from college, I was assigned to be I. & E. non-com. My Lieutenant, who had about 15 miscellaneous duties on the station ranging from Assistant Mess Officer through Assistant Fire Marshal to Assistant Claims & Insurance Officer, gave me roughly an hour's guidance a week. This was plenty, for the advice was always the same: a detailed discussion of the canine ancestry of the base commander and each of his staff officers, coupled with a vigorous demand that I "get

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John P. Roche is Associate Professor of Political Science at Haverford College.

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on the stick and we'll really buzz this place." While I fully supported his genealogical findings, I found it rather hard to "get on the stick" when there was nobody with any rank and prestige to go to bat for me or the program. I was strictly on my own.

The base commander, a jovial fellow, who was reputed to have observed that it was a lousy war, but better than no war at all, initially ruled that the troops would have to attend the I. & E. session—"that crap from Washington," in his phrase—on their own time in the evening. At this point I was nearly lynched by my barracks mates, and the First Sergeant—who ran a black-market business in airplane parts at night—indicated that he would get me busted from S/Sgt to Pvt. if the evening schedule went through. I turned to the regulations and found a requirement that I. & E. be offered on Army time, and fortunately the Base Inspector took the issue up and forced a rescheduling. The commanding officer complied by assigning me the hour from 7 to 8 on Thursday morning, and thenceforth every Thursday at 7 the troops marched into the base theatre to learn why they were fighting. A realist, I usually showed a film for the first 45 minutes, took 5 minutes for a news analysis, then woke the boys up and sent them on their way. I can't remember much about the films except that a large number of them showed American fighter-bombers chasing German railroad trains.

Once, to my grief, I decided to try a bright idea which had been sent down from I. & E. Headquarters and hold a debate. My standing as an Army subversive probably dates from that unhappy occasion. The subject was innocuous enough—*What Changes Will War Bring to the US?* or some similar topic—and it all began quietly. Three of the four statements went off in a soporific haze, but suddenly as the fourth soldier, a character from Brooklyn who had strong opinions on almost everything, was saying his piece the atmosphere changed. The Brooklynite had included in his remarks an endorsement of racial equality, and the Southern contingent awoke *en masse*. No sooner had the speaker finished than a real up-country Georgian jumped to his feet and asked the inevitable question: "Wilson, how would you like it if your sister married a nigra?" Wilson, no man to back away from an ugly situation, snapped back: "Rockingham, my little sister is so ugly she'd be lucky to find anyone who'd marry her." By dint of great effort, I forestalled a riot, but my troubles were just beginning.

An hour later, after the troops had dispersed and Wilson had gone into hiding, I was on the carpet with the base commander and his intelligence officer. Both were from the deep South, and it was apparent that in their view Wilson, probably at my urging, had that morning raised the red flag on the station. No sooner had I fulfilled the ritual of saluting and reporting than the intelligence officer demanded: "Roche, are you a comminest?" When I said I was not, he pulled out a list of organizations—a wild list which included among various Communist and Fascist groups the America First Committee, the Mennonites and the Quakers—and asked for my affiliations. I denied any relevant attachments, and Intelligence, having reached the end of his string, retired. The Colonel picked up the ball: "Roche," he said, in his best court-martial voice, "who authorized you to hold a debate on a controversial subject?" Having come prepared for this gambit, I pulled out my directives from I. & E. Headquarters; he read them over with a look of disgust, and then issued his final mandate: "Roche, if you run any discussions on controversial subjects on this post, I'll court-martial you—and I don't give a damn what those pinkos in Washington tell you to do. Remember boy, I can put you in the stockade, and they can't get you out." I saluted, withdrew, and put my charges back on a fulltime diet of fighter-bombers chasing locomotives.

This may sound like an extreme case, but my conversation with other poor souls who likewise tried to inform and educate the troops leads me to believe that I made out rather well. At least I didn't land up in the stockade, whereas some persistent I. & E. men did, court-martialed under the elastic 96th Article of War for "conduct unbecoming a soldier." Some commands simply defied Washington and refused to allow any time for the program; others made life so miserable for I. & E. personnel that the latter simply gave up the effort. I. & E. had no real constituency, no powerful brass to go to its defense. Thus the program lived on the periphery of Army life,

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"I tried one of them labor-management argyments wit' Lootenant Atkins."

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barely hanging on, and the average soldier went through the war untouched by it. I would therefore conclude that not only did I. & E. not turn American soldiers into Komsomols, but further that it had no impact whatsoever on the thought patterns of the average GI. It was, in brief, an educational flop.

As far as Communist infiltration of the I. & E. operation is concerned, there is no doubt in my mind but that the word went out through Party channels that this was a good spot on which to concentrate. Undoubtedly, a good many Stalinists put in applications for I. & E. work, and probably the proportion of party-liners among I. & E. personnel was considerably higher than the law of averages would justify. This was certainly the case in my class at Washington and Lee, and I had quite a time, for my anti-Stalinist and anti-Soviet views soon brought me the stern disapprobation of the Party clique among the students. There was no question of persecution involved; if anything, I was the persecutor as I enjoyed ideological in-fighting and was fully prepared to mount the offensive on the drop of a dialectical hat.

In any case, I soon became known in some circles as an "auxiliary of Nazism," and I once had the great pleasure of overhearing one of my roommates, with whom I had just had a bitter argument over the legality of the Japanese-American evacuation and the Espionage Act trial of "Fascists" which was then running in Washington, denounce me to a common acquaintance as an "Irish Christian Fronter." I immediately accused him of racial bigotry, of launching a vicious attack on the Irish minority, and of displaying bourgeois chauvinism. This convinced him that I was a Trotskyite.

But all this was a tempest in a microcosm. Memory plays tricks, but I would estimate that less than 10 percent of the members of my class were party-liners. On the other hand, not more than two or three of us were outspokenly cynical about the good intentions of the USSR. The great bulk of the students, probably around 90 percent, simply didn't give a damn. They had volunteered for the School to get "a good deal," and all the hot political arguments passed right over their hedonistic heads. I recall vividly looking in on a poker game in the next room after I had engaged my Stalinist roommate in a dispute over the executions of Ehrlich and Alter, the two leaders of the Polish-Jewish Bund who were shot after they took refuge from the Nazis in Russia, and being asked by one of the cardplayers: "What the hell do you Communists fight about all the time?" To this contingent, anybody who took politics seriously was a Communist, and it was from this apolitical group that the overwhelming proportion of the I. & E. "indoctrinators" hailed.

Thus it would probably be accurate to say that of the *politically conscious* students, the Stalinists were the largest single aggregation, but that the politically conscious members constituted a minute minority of the total body of School trained personnel. As far as the teaching was concerned, there appeared to be no articulate Communists. The view of the USSR that was presented was no less realistic than that of most Americans in the era of Stalingrad. Furthermore, very little instruction centered on politics; most of our time was devoted to first-rate demonstration of techniques of mass education, visual aids, and the like. The closest we came to an overall appraisal of world problems was the graduation address by Hanson W. Baldwin.

However, the publications of the I. & E. division led me to suspect that the Communists had planted some of their people in key editorial positions. The worst offender was the weekly *Army Talk* which was given mass distribution throughout the Army and Air Force—at least in theory. This publication showed signs of internal editorial conflicts, that is, there was no over-all consistency of outlook—some issues were given straight party-line presentation, while others were handled with objectivity and balance. (I later learned that my hunch was correct, that there was a constant battle raging among the editors along Stalinist and anti-Stalinist lines.) With regard to the USSR, to China, and to Far Eastern developments generally, *Army Talk* struck me as extremely biased, even allowing for the contemporary enthusiasm for Communist "democracy" in virtually all sectors of American public opinion. The pamphlets on vital issues distributed by I. & E. were on a much higher level; indeed, most of them were written by leading scholars and were exceedingly well done.

Even if we assume, for purposes of discussion, that Stalinist colonization of the I. & E. publications branch was more effective than I was in the field, not in Washington, and thus had no way of knowing what went on except as I sensed it from the publications themselves—there is a basic point that must be taken into consideration: Who read the stuff? I may sound cynical, but I am confident that of the 5,000 or more officers and enlisted men on my post, not more than two or three ever bothered to look at the materials that I distributed. Once, when I deliberately suppressed an issue of *Army Talk* which seemed to me to be a particularly noxious dose of Stalinist tripe, one soldier came in to ask me what had happened to the latest release: "He had heard it was very good." This was an interesting indication of the effectiveness of Party communications, since he was our one articulate Stalinist! However, in the aggregate, I would suggest that Communist efforts to infiltrate I. & E., and whatever success they had, were just so much wasted time. There may have been a lot of *Army Talk,* but the crucial fact is that nobody was listening.

Yet, despite its drawbacks and failures, the program was, in my opinion, worth undertaking. As Gilbert K. Chesterton once observed, "If a thing is worth doing, it is worth doing badly."

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BOOKS & COMMENT

An Independent Editor

by Webster Schott

ALTHOUGH the name of Oliver Kirby Bovard is hardly known outside the circle of professional journalists, in that circle he is conceded to have been one of the great managing editors in modern newspaper journalism. And justly so.

His time as assistant city editor, city editor, and then managing editor of the *St. Louis Post-Dispatch* from February, 1908, until his resignation on August 13, 1938, parallels the rise of the *Post-Dispatch* from an insignificant stepchild of Joseph Pulitzer I to its present national and international position as a model of liberal-independent American journalism. Bovard didn't do it all. But how the *Post-Dispatch* could have become what it is without him is an improbability difficult to explore.

Bovard of the Post-Dispatch, by James W. Markham (Louisiana State University Press; $4).

Why Irving Dilliard, Marquis Childs, Raymond Brandt, or one of the several other men who knew and worked under O. K. Bovard and still serve the *Post-Dispatch* has not written a book about Bovard, I do not know. But they provided Professor Markham, who originally prepared his "Bovard" as a doctoral thesis before leaving the University of Missouri for Pennsylvania State University, with considerable information for this book. And they must be gratified, as are the rest of us who believe in the Pulitzer platform printed at the masthead of the *Post-Dispatch* every day, that Bovard's career at last has been reconstructed fully and analyzed intelligently, even though his enigmatic personality still remains contradictory and clouded.

Bovard's forte, as Markham shows in much detail, was as a "general of news campaigns." He made the *Post-Dispatch* the No. 1 Midwestern newspaper in not merely getting news, but in making the news it got. It was at Bovard's direction that the *Post-Dispatch* dug under the surface facts of the unwarranted use of Marine forces in evacuating Teapot Dome, to expose the scandalous stock transactions in their entirety. Bovard followed up rumors about the St. Louis Union Electric Company's padded expense accounts, and the *Post-Dispatch's* stories led to the company's conviction for illegal use of funds to entertain government executives and legislators. Investigations initiated by Bovard revealed the frauds in the St. Louis state and congressional primaries of 1936, and Bovard's men were in Kansas City when the *Kansas City Star* canvassed the whole city and discovered 60,000 ghost voters registered there.

Stories of major crime and corruption which Bovard broke are too many to count. A Bovard man, John T. Rogers, got the confession from Art Newman which sent Charlie Birger, the notorious southern Illinois gangster, to the gallows. Bovard and his staff exposed the malpractices of Federal Judge George W. English, forcing him to resign a few days before he was tried for impeachment before the Senate. He supervised the coverage of the 1931 kidnapping of Dr. I. D. Kelly, pursuing the case so furiously that in eight days Dr. Kelley was free, turned over by his captors in East St. Louis to Rogers of the *Post-Dispatch* without a cent of ransom paid.

THERE was one guiding principle in Bovard's conception of a newspaper: "that the people might know." And he evolved a semi-scientific procedure for getting the hidden knowledge to them. With his reporters (the "Bovard men") he would look for the big stories in the little stories, forming hypotheses, based on a "news nugget," about the possible relationships between apparently unrelated events. Then the staff would be put to work on the most likely theory, going to the next and the next hypothesis until all were explored. This was the uncommon kind of news generalship at which Bovard excelled.

Bovard believed the *Post-Dispatch* must be a "people's university," not only reporting the news fully, literally, and accurately, but interpreting the news in its social, economic, and political significance. He employed the paper's first full-time war correspondent in Europe, established the Washington bureau, hired men like Marquis Childs and Charles G. Ross, devised the now-famous first page of the editorial section to present the views of recognized authorities in politics, literature, science, education, and other special fields. "He looked," says Markham

> . . . to the fundamental bases of society and culture. A scale of basic values for an individual, or for a newspaper, in Bovard's thinking, started with the concept of man as primarily an economic animal, whose life being was shaped to a great extent by his search for the necessities. . . . Until a bed existed in every hospital for every sick and needy person, or until a desk was provided in every school room for every child, Bovard felt that the question of a symphony orchestra for St. Louis should remain relatively unimportant.

One infers that it was more his inflexible organic or physiological evaluation of news—a corollary of his economic determinism—that led to his break with Joseph Pulitzer than it was personal ambition for more authority, although there was enough of that always.

He believed the Depression was news and it was a newspaper's business to tell what could be done about it. It was the most important story of his career, and the 1930's were apparently the most difficult and intellectually active years of his life. He toured Sweden in 1930 and visited Russia in 1934 and 1935, looking abroad for solutions to the American economic collapse. The idea of an American middle ground between socialism and capitalism was quick to form in his mind, and the Roosevelt administration's failure to accomplish what he had hoped for during its early years only confirmed his beliefs that the maldistribution of wealth, private ownership of utilities and natural resources, and technological displacement of workers by machines required immediate amendments to the constitutional guarantee of property rights and the due process clause of the Fourteenth Amendment.

Bovard seldom, if ever, split a difference with anyone. And as he worked out these Fabian ideas in a series of remarkable essays, he tried to persuade

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Joseph Pulitzer II to commit the *Post-Dispatch* to his policy of nationalization. He failed, and on July 29, 1938, Bovard posted on the bulletin board a note written in blue pencil on a piece of copy paper:

> To the Staff:
>
> With regret I have to tell you that I have resigned because of irreconcilable differences of opinion with Mr. Pulitzer as to the general conduct of the paper and am leaving the office August 13. I recognize and respect the rights and responsibilities of ownership and make no complaint . . .
>
> Faithfully yours,
>
> O. K. Bovard

Despite Pulitzer's requests that Bovard reconsider, he would not. No doubt he was disturbed by the increasing commercialization of journalism. "The press . . . like politics, is a business," he once said, "more circulation in order to get more advertising in order to make more profit." And his analysis of the press' reflection of its business ownership's interests has proved considerably more valid than his interpretation of economic phenomena in the United States. But he was dedicated to American socialism and never changed his mind, as far as Markham's prodigious research was able to determine.

He did not accept another editorship and died on November 3, 1945, at the age of 67. His obituary made the deadline for the Sunday morning paper, and it was one of the few times his photograph appeared in the *St. Louis Post-Dispatch*.

As an account of Bovard's professional career and the principles that guided him, Markham's book is a tribute to the editor as well as to his own scholarship. The writing is serviceable and Markham has a good organic sense of news himself. But without detracting from the book's virtues, one may still suggest that a good book might have been a better book if Markham had been able to tell us more about the inner man manifested in the outer man, and more important, whether Oliver Kirby Bovard could have become perhaps the greatest managing editor working for anyone except the Pulitzers and the *St. Louis Post-Dispatch*.

Fundamental to Bovard's concept of editorship was his private life, which he guarded as if it held secrets. He was married, but had no children and practically no interests except the paper. The *St. Louis Post-Dispatch* was O. K. Bovard in Bovard's subconscious, a projection of himself into objectivity, and his hypothesizing on possible news proves he sensed the power of influencing the course of events and the affairs of men. Again like one of David Riesman's inner-directed men, he apparently did not realize that others long before him (Aristotle, Locke, Jefferson) had worked in political-philosophical abstractions similar to his own and in greater complexity.

There are too many variables to speculate how the *Post-Dispatch* without Bovard in the years after the first Joseph Pulitzer's death, might otherwise have become what it was and is. But this seems evident: A newspaper must either reflect the prevailing popular attitudes of its community, or strive to shape and widen its readers' attitudes regardless of commercial and provincial interests, or, in the middle, flounder and fail. The *Post-Dispatch*, more national than regional in outlook, even now could be published in New York or Seattle without changing its ideological position. Only on such a newspaper could Bovard, paradoxically narrow in early formative experience but radically broad in mature outlook, come so close to realizing a "people's university."

The Pulitzer tradition and Oliver Kirby Bovard were one and the same.

A Locomotive Named Reality

by Paul Engle

ON the jacket of these short stories by Tennessee Williams there is a marble statue. The torso is perfect and beautiful, but an arm is broken off and the nose is flawed in the harmonious face. Although the young man of the title story is said to look "like a broken statue of Apollo," exactly as the figure on the jacket looks, there is a sense in which he is also the sign of all of Mr. Williams' work. Throughout the plays and the stories many common themes recur, and principal among them is mutilation.

One Arm, by Tennessee Williams (New Directions; $4.50).

Laura, the sad girl of *The Glass Menagerie*, had a crippled leg. But others were crippled emotionally, like Blanche in *A Streetcar Named Desire*. When his characters are thrust up against too much reality, something has to give. For Oliver Winemiller of "One Arm" it was, literally, an arm which he lost. For Blanche, it was her dream of the plantation and the young lovers that went when she was confronted by the coarse Stanley Kowalski (Marlon Brando with his shirt off). In the moment of their facing the whole range and brutality of life, all suffer impairment.

The advantage of reading these stories is that attitudes which are dramatized by situation in the plays are presented more directly, almost abstractly. In "One Arm" Williams writes that Oliver had "the charm of the defeated." All of the men and women who are defeated have greater charm than those who survive. It is Blanche, brought to the black edge of a psychotic abyss, who attracts us, rather than her quieter sister Stella who has husband and baby. So in these stories, people collide with harsh experience and are shattered, but they seem the only ones worth recording.

Constant in Williams' work from the beginning has been the character who, ravaged with reality, retreats into fantasy. In "The Malediction" from this current volume, Lucio works in a factory, but writes his brother in prison letters about wholly imagined promotions and successes. When Lucio is bawled out by his foreman, he tells his brother that he has "received another considerable boost in salary." Laura gives up business school and the outside world and lives in her glass menagerie, where she can control, and can find acceptance. Serafina in *The Rose Tattoo* sublimates her hard life into the legend of her husband's absolutely faithful devotion. "Hollywood characters are supposed to have all the adventures for everybody in America." Even Laura's mother, Amanda, grubbing the miserable few dollars out of magazine subscriptions, romantically says that a former admirer who was shot "carried my picture on him the night he died!" Williams always knows what he is trying to do, for he says of Amanda that

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"having failed to establish contact with reality," she continues to live vitally in her illusions. Living vitally in illusions is the substance of nearly all the important people in nearly all of Williams' work. If speeding reality knocks you down at a crossing, you can always say it was an angel's wing.

Another recurring theme is the exceptionally virile man. In "One Arm," Oliver, when a boxer, was called "lightning in leather"; when he was imprisoned he received quantities of loving letters from men with whom he had been intimate, and when he died in the electric chair he clutched their letters in his thighs. In *The Glass Menagerie* Jim, "a nice, ordinary young man," who comes to call on Laura, had been a star in basketball, and when in his heartiness he clapped his hands on the shoulders of his friends, "they burned through the cloth of your shirt like plates taken out of an oven." Serafino boasts of Rosario: "My husband was a Sicilian. We had love together every night of the week, we never skipped one." Not good looks, or sound health, but extraordinary sexual attractiveness is the criterion. The Negro masseurs in the short story "Black Masseur" "swept the white hangings aside with great black palms that you felt might just as easily have seized bolts of lightning and thrown them back at the clouds." Burns, the little man of this story, is sexually passive and is destroyed, while the active Negro lives on. Stanley Kowalski is described in an author's note thus:

> Animal joy in his being is implicit in all his movements and attitudes. Since earliest manhood the center of his life has been pleasure with women, the giving and taking of it, not with weak indulgence, dependently, but with the power and pride of a richly feathered male bird among hens . . . he sizes women up at a glance, with sexual classifications, crude images flashing into his mind and determining the way he smiles at them.

All of the plays and the collections of stories have such figures of strong male vitality.

"Portrait of a Girl in Glass" is a miniature of *The Glass Menagerie* with the same characters. Tom "was a poet who had a job in a warehouse," and as in the play, he narrates the melancholy tale. Here is the narrow court called Death Valley, in which, to Laura's horror, ruthless reality shocked her sensitive ears in the form of the yowls of cats trapped there and dying at the teeth of dogs. Laura was trapped in the walled apartment, and sang to her glass images "until the points of gem-like radiance in them gently drew the aching particles of reality from her mind and finally produced a state of hypnotic calm." In *The Rose Tattoo* the little boy cries out ironically, in his childish game, the one cruelest and most innocent remark he could make: "Ready or not you shall be caught!" The young man in *Camino Real* is trapped and forced to put on the artificial nose that lights up; Blanche is trapped first in her self-deception and then in the asylum; Burns is trapped in his perverse pleasure until it kills him. But always there are people breaking out, or trying to, and it is these who afford hope and pride in the stories and in the plays.

WILLIAMS explores in fiction and the theatre the *true* world behind the apparent one. In a preface he speaks of the "spiritual dislocation" he suffered, and a reading of the stories along with the plays proves that this is a steady concern of his. He had an eye operation "mainly because of the excuse it gave me to withdraw from the world behind a gauze mask." From this imposed darkness he found, when the mask was removed, a new light on another vision of the world, stripped of superficial distraction, a world standing clear and naked as a light bulb. He pushed aside the great iron door of daily life and discovered there, behind the pulsating machine of modern technology, the throbbing human heart. It is this care for the individual man and woman and child and cornered cat which warms the lines of his plays and stories, which makes each example of his writing useful and moving. When he speaks of the artist and poet as representatives of occupations, the stories falter away into abstraction.

The plays, apparently, compel him to utter in specific situation and concrete individual the same general conceptions which he states too bluntly in the stories. He says that the actual world is less intense for the artist than the world of his invention; the authentic ice-cube is less freezing than the candid insights of the writer. The more he illuminates that inner and contrived world, however, the more he actually reveals of the brutal daylight outside.

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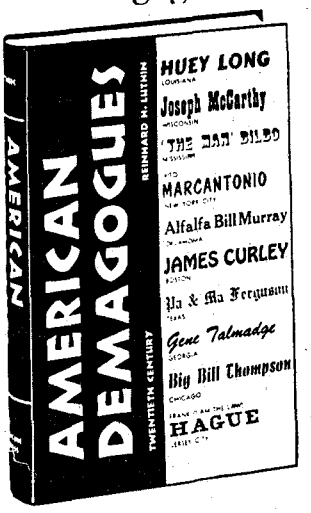

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Tammany with the Heat On

by Robert G. Spivack

FOR those who still retain lingering doubts about the extent of corruption in William O'Dwyer's Tammany administration of New York City, and the degree to which the ex-Mayor fought all attempts to expose it, this book is an eye-opener. For those who were close to the scene of the crime and reported it day-by-day for their newspapers the authors have come up with little that is new or surprising.

The Big Fix, by Norton Mockridge and Robert H. Prall (Holt; $3.95).

But, if you've ever wondered why the "charming Billo" prefers to spend so much time south of the border rather than return to his beloved sidewalks of New York, this book will provide at least part—but an important part—of the answer.

The Big Fix is the story of the $20-million-a-year gambling ring run by a Brooklyn tin-horn named Harry Gross. It recounts in considerable detail how Gross worked his racket, how he bought off several hundred of the city's cops from top rank to lowly patrolman, and it tells who were some of his political protectors.

Prall and Mockridge are at their best when they relate the attempts by O'Dwyer to hamstring the investigation into Gross' activities started by Miles McDonald, the Brooklyn District Attorney. McDonald, who was once O'Dwyer's assistant in the District Attorney's office, had come up through the party organization as his former boss had. But McDonald brought with him a different code of ethics and a literal view of the law. There were many aspects of Brooklyn politics that failed to arouse any reformer's zeal in McDonald but O'Dwyer had a knack for bringing out hidden qualities in the District Attorney that few party leaders ever thought McDonald possessed.

McDonald was actually pushed into his investigation by the prodding of the *Brooklyn Eagle* and only to a slightly lesser extent by the picture of Tammany corruption at City Hall that was being drawn daily in the *New York Post.* When O'Dwyer saw that McDonald was in earnest he began referring to his ex-assistant as a "knucklehead" and prophesied all sorts of political disasters for him.

O'Dwyer placed every conceivable roadblock in the path of the stubborn prosecutor and his 29 rookie-cop investigators. When McDonald began to hit pay dirt, O'Dwyer denounced the investigation as a "witch-hunt." When McDonald bore down hardest on this or that precinct the police brass would pull a phony departmental shake-up.

Finally when O'Dwyer saw that McDonald would not back down he even went so far as to organize a police demonstration against the District Attorney. This took the form of a funeral march by 6,000 cops, many on their day off, at the services of a police captain who committed suicide after questioning by members of McDonald's staff. Although the captain said his decision to take his life had nothing to do with the gambling investigation—and subsequent information bore this out—O'Dwyer preferred to believe differently. It was an opportunity to inflame the department against the prosecutor and he exploited it fully. The tears welled in his eyes as he praised the dead officer, whom he barely knew.

But McDonald plodded along and with the aid of a brilliant assistant, Julius Helfand, and an intrepid chief investigator, William Dahut, most of the cops in the Gross ring were exposed, imprisoned, or forced out of the police department. O'Dwyer then moved to Mexico as our Ambassador.

This was not the first time that O'Dwyer had offered his services to the nation when things got too hot back in old home town. Nor was it the first time that he tried to stop an investigation of graft and corruption. As the authors point out this had been an O'Dwyer pattern of behavior going all the way back to his days as Brooklyn's District Attorney. When John Harlan Amen, a decade earlier began laying bare the links between big city politicians, the mobsters, the waterfront racketeers and their Brooklyn connections, O'Dwyer was right on hand to throw sand into law enforcement machinery.

Despite the fine work that McDonald did, it's the opinion of many observers including this one, that Mockridge and Prall have actually credited him with too much of a role in O'Dwyer's downfall. For instance, O'Dwyer himself has credited one of the *New York Post's* crime reporters, Irving Lieberman, with giving him more trouble than almost anyone he encountered in his entire career.

Even more troublesome, however, was the Kefauver Crime Investigating Committee. For eight days it shook New York City like Hurricane Hazel. While O'Dwyer, Frank Costello, James Moran and the lesser Tammanyites had been able to push around Manhattan's District Attorney Frank Hogan and also McDonald, they found Sens. Kefauver and Tobey unpushable.

The authors' lack of political background is a distinct handicap. This is revealed in their hero-worship of McDonald (admittedly an admirable and honest public servant) and in their neglect of Thomas E. Dewey's role.

DEWEY was surely not uninformed about the corruption of the O'Dwyer administration; he also had at hand competent investigators to uncover it whenever he was so inclined. For his own reasons, strictly political, Dewey was strangely inactive.

The authors are likewise naïve in crediting Sen. Irving M. Ives of New York with waging a campaign to prevent O'Dwyer's confirmation as Ambassador to Mexico. Ives went through the motions and made only a few remarks "for the record." Presumably word had gone out from top level Republicans that there was to be no real fight against O'Dwyer—and there wasn't. Not even a full-fledged Senate debate.

Within these limitations the book is worthwhile, if only because it provides a blueprint of corruption that the new Democratic governor of New York would do well to study. Many Democratic politicians who got their schooling in the O'Dwyer College of Political Administration still hang out in Albany and Tammany Hall.

Notes on the Critics

WEBSTER SCHOTT is a free-lance writer. Critic and poet PAUL ENGLE teaches at the University of Iowa. ROBERT G. SPIVACK is Washington Correspondent of the *New York Post.*

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THEATRE

I WAS much interested in Mr. Goodman's remarks about *Romeo and Juliet* (*NR*, January 10). It all boils down to this, that what is better as Shakespeare may be worse as cinema, and vice versa, the reason being that, on the stage, the sound track takes precedence over the visual track, while, on the screen, the opposite is the case.

A purist would therefore hold that plays should probably not be filmed at all and, if they are, should be completely assimilated to the cinematic art, so that, in the end the question to be asked would be: "Is it a good film?" and "Is it faithful to the play?" would be a question not to be asked. But, though purism is of its nature very sound and convincing, few of us, in this unsound and unconvincing world of ours, are purists. We don't much care what category works of art belong to if we like them, nor do we mind if they are inferior as this, provided that they are superior as that. Take the Shaw films. They are *ersatz*. Shaw himself welcomed them as simply a way of reaching a wider public *with his plays*. Why not? As examples of cinematic art, they are inferior to *The Maltese Falcon* or any other memorable Hollywood product. But we never pay our dollar to see an *example* of something. Nothing in the cinematics of the Shaw films makes us miserable, and what we are enjoying is —the play, better rehearsed and better acted than we are likely to see it in the ordinary circumstances of theatre.

Sidestreet Story and *Filumena Marturano* by Eduardo De Filippo.

This is, of course, not wholly true. Had the camera photographed an actual stage performance—say, from a fixed position in the mezzanine—the play, oddly enough, would not seem to have been rendered at all. Concessions have to be made to the cinematic principle. A Shaw film—let us say, more broadly, a dramatic film—will differ from a "pure" film only in refusing to let the camera detract from the dialogue. All plays of course contain much dialogue that is there for dramaturgic reasons which, on the screen, will no longer obtain; it must be cut. The dialogue that cannot be cut is the part which is either crucial to the drama or commendable in itself. (I should place under the latter head the Queen Mab speech in *Romeo* which Mr. Goodman, being a movie critic, gladly lets go.) As non-purists, we shall accept the fact that the dramatic film is full of those long speeches, or long passages of talk in short speeches, which the purist will reject. Tension between the dramatic and cinematic principles cannot always be avoided. Sometimes the camera will try to carry the emphasis where the script does not wish it to go. For example, the film of *Pygmalion* tends to make a climax of a scene which is not in the play at all. Life is imperfect.

All this is by way of preface to some remarks about a couple of remarkable Italian films which have escaped general attention, presumably because they are not remarkable examples of cinematic art and because the plays they are based on—like the players in them—are unknown here. They are *Sidestreet Story* (*Napoli Milionaria*) and *Filumena Marturano*. One man wrote the plays, adapted them to the screen, directed, and starred in, both movies: Eduardo De Filippo.

I have written of the art of De Filippo at length elsewhere. Making the journey to Canal Street to see *Filumena* without subtitles or dubbing at the Cinema Giglio, I am forcibly reminded how small a dent he has made in non-Italian culture. In these days of theoretical internationalism, one is reluctant to admit how utterly *local* is so much of theatrical art. How can a dialect theatre—the theatre of Eduardo is Neapolitan—pass the boundaries of its dialect? That is not the only problem. Eduardo is one of those stage actors whose magic cannot penetrate celluloid; on the screen it is impossible to see much more than competence in this man whom Gordon Craig considers the finest living actor.

There are compensations. The largest, and title, role, in *Filumena* is played by Titina De Filippo, Eduardo's sister, who has more luck with the screen, it seems to me, than he does. Filumena is a woman from the slums of Naples who, starting as a mere prostitute, manages to become the mistress of a wealthy playboy whom she loves and expects to marry. When, however, after a quarter of a century, the playboy goes after a fair young socialite, Filumena forces the issue by pretending to be dead and exacting what seems a death-bed marriage. The man has this marriage annulled later, but in the meanwhile he has found that Filumena has three children by various fathers and that they have been raised on his money. The second act curtain of the stage version occurs with her disclosure that he is one of these fathers. She won't tell him which of the boys is his son. She will never tell—not even when, at the end of the play, he re-marries her of his own free will because he is bored with the socialite and knows who his real friend is.

A plot summary could hardly suggest the kind of fun and pathos Eduardo gives to his story. The introduction of the sons (to him and the audience) is a very Big Scene. An amusing motif of more than one scene is his attempt to find out which son is his. Filumena's mock death scene sounds like something from classic comedy. The effect of it is somewhat spoiled in the play by its being substantially over before the curtain goes up, but in the film it is presented fully and tellingly. Another place where the film is an improvement over the play is after the annulment. While the play simply jumps to the re-marriage, the film fills the gap in, showing the man's boredom with his floozy and his need of his old friend . . .

A dramatic, not a pure, film, *Filumena* leaves intact certain long narrative speeches which, in Italy, are already famous set pieces — notably, one in which Filumena tells the whole story of her upbringing. In America, such a speech would have been cut not only from the film but from the play. Naples is a different place, and Neapolitan folk drama is a different art; I enjoy it not least for its difference. I enjoy the Neapolitan gestures: Eduardo pressing his palms together and shaking them to express exasperation, or Titina digging her thumbs in her eyes and flinging her hands sideways to tell us she cannot weep. I enjoy, above all, the fine blend of comedy and drama, the naïve pathos, the almost noble seriousness of what might easily be ludicrous. Some non-Italians are surprised, even displeased, by this last feature. "Why don't they play comedy as comedy?" Fully to answer the question would be to explain and justify a simpler, but also, more delicate, realism than our own stage at present has to show. ERIC BENTLEY

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CORRESPONDENCE

► The Tragedy of Spanish Refugees

SIRS:

In February, 1939, thousands and thousands of Spaniards fled over the Pyrenees to France. The Spanish Republic had just collapsed, under the blow of a civil war which began with a military uprising and during which—let us not forget—the opponents of the legitimate government received decisive aid from Fascist Italy and Nazi Germany.

Sixteen years have passed—a long tragedy for these men, these women and these children, who, leaving their country in haste, lost everything, abandoned everything.

It is important to remember that these refugees were the flower of Spanish intellectual life.

Certainly their number is not the same now as at the time of the exodus in 1939. Many are dead, many were able to emigrate to Latin America—chiefly to Mexico, a country whose attitude has always been admirable—others, finally worn out by misfortune and privations, decided to return to Spain.

In the cemetery of Perpignan alone, more than a thousand of my compatriots are buried. Little wooden crosses made with sticks, eaten away by the weather, mark the last home of these unfortunate people.

After their entry into France, most of the Spanish refugees were put into concentration camps. Their Calvary began. A certain number, especially the strong and vigorous men, were enrolled in forced labor battalions, which revived slavery in modern times. They were employed on hard and painful work, receiving meager rations and paid only six sous a day.

The Second World War complicated even more the situation of the Spanish refugees. Still worse were the effects of the defeat of France in June, 1940, and the German occupation. If even the French were subjected to many restrictions at this time, it is easy to imagine what privations were endured by my poor compatriots. How many were deported to the terrible concentration camps in Germany! How many died there! How many were forced to work night and day in the construction of the famous "Atlantic wall"!

The Liberation, in 1944, brought hope. However, that hope was soon disappointed. In spite of the promises made by the democratic powers, the totalitarian regime continued in Spain. Then began the most difficult period for the morale of the Spanish refugees. They felt themselves forgotten and abandoned. What could they hope for? How long would their tragedy go on?

One must face up to the tragedy of these people. There are very few among them able to work in their real trade, their own profession—and it is even worse among the intellectuals and the men with liberal professions. There are teachers and professors who have worked in the fields and vineyards for sixteen years, there are lawyers who have worked as dishwashers in cafes. There are the civil war wounded, the old people, the children, the sick who have accumulated in the incurable wards. There is so much suffering which people of sensitivity should know about and which deserves to be lightened by kind hearts.

For I must say this too, that the great majority of these people, during all these terrible years, have given proof of a dignity and nobility which commands one's deepest respect.

PABLO CASALS

Prades, France

EDITOR'S NOTE: One of the world's greatest cellists and conductors, Mr. Casal is honorary chairman of the Spanish Refugee Aid, Inc., which maintains offices in New York City at 80 East 11th Street. This volunteer organization solicits help for the unfortunate persons for whom Mr. Casals speaks in the above letter. Among the sponsors of S.R.A., Inc., are Albert Camus, Hodding Carter, Reinhold Niebuhr, Mrs. George Orwell, Arthur Schlesinger, Jr., and George N. Shuster.

► Zionism and Communism

SIRS:

Mr. Maurice J. Goldbloom's review of Judd L. Teller's *Scapegoat of Revolution* (*NR*, December 13) contained some malicious and baseless remarks about Zionism. Mr. Goldbloom writes: ". . . many non-Communist Zionists, in spite or perhaps because of their Zionism, were willing to make alliances with the Devil himself if they thought it would further their goal of establishing and maintaining a Jewish State in Palestine. This is not to say that they were Communists or pro-Communists; indeed, one Zionist leader who did not hesitate to engage in these tactics was simultaneously campaigning for the late Senator Taft."

Mr. Goldbloom would be hard-pressed to produce supporting evidence for his allegations. When and by whom were such "alliances" sought and concluded? Or does his definition of "alliance" permit its application to efforts in 1947-48 to obtain Soviet support for the Palestine Partition plan, already supported by the United States? Does it apply to efforts to obtain exit permits for Jews behind the Iron Curtain?

DR. ISRAEL GOLDSTEIN

New York City

. . . The Reviewer Replies

SIRS:

Dr. Goldstein has accused me of resorting to fiction in stating that non-Communist Zionists did make alliance with Communists in the interests of establishing a Jewish state in Palestine. I shall not here attempt to list the occasions in the period preceding and following the passage of the Partition Resolution by the UN on which Zionist leaders appeared on the platforms of Communist front meetings.

If Dr. Goldstein defines these as "efforts to obtain Soviet support for the Palestine Partition plan," then his difference with me is purely a matter of semantics. But surely Dr. Goldstein has not forgotten that the Zionist-controlled American Jewish Conference (of whose Interim Committee he was co-chairman for some years) insisted on admitting the Jewish People's Fraternal Order—a section of the International Worker's Order, whose role in the Communist movement was never any secret—even though it meant that the vastly more important Jewish Labor Committee walked out of the Conference in protest. And the JPFO was for some years affiliated not only with the Conference but with the American Jewish Congress, from which it was not expelled until the Zionists had finally been convinced, by the suppression of Zionist groups of the countries in the Soviet sphere, that they had nothing more to hope from the Soviet Union and its foreign legion. The period in which these things occurred

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was, let me repeat, a period in which lots of other people besides Zionists thought that one could "do business with Stalin" on a basis of mutual trust and friendship. Zionist leaders were not unique in succumbing, but neither did they have the unique immunity which Mr. Teller claims for them and which Dr. Goldstein appears to assert. One might mention also that even the Palestinian labor federation Histadruth, whose leaders have certainly never been pro-Communist, remained in the World Federation of Trade Unions for two years after the CIO and most other non-Communist groups had pulled out because the WFTU had made itself an open instrument of Soviet foreign policy. I have no doubt that the Zionist leaders responsible for these policies thought they were simply using the Communists; the question of who was using whom, however, is one on which they could easily have been mistaken.

MAURICE J. GOLDBLOOM

New York City

► Red Design for the Americas

SIRS:

In his December 27th letter criticizing my review of his book (*Red Design for the Americas—Guatemalan Prelude*) Mr. James writes: "Miss Kirk says that in my book I predicted that the Marines would have to be sent to Latin America if Communist penetration gets much worse. I made no such prediction anywhere in the book, and challenge Miss Kirk to produce the exact quotation."

ANSWER: I cite the following quotation: Page 297—". . . The time to report and analyze them (convulsions in Latin America) is now, while a people alerted to them may be able to take preventive measures, not later, *when it may be too late to do anything except call men to the colors.*" (Italics mine.)

Mr. James: "What I did write is that the continued growth of Communism could lead to war in the Americas."

ANSWER: On page 1, he wrote: "The battle of the Western Hemisphere has begun. . . . We face the possibility even of war—war on our shores of the kind hitherto characteristic of Asia." On page 206 he wrote: "The Caribbean countries command the principal sea, land and air approaches to the United States mainland from the south. . . . Once our Caribbean bulwarks were breached, it might be only a question of time before *the war was carried to United States soil.*" (Italics mine.)

Does Mr. James, having predicted the possibility of war on our own shores, war carried to United States soil, protracted struggles against Communism and revolutions, mean to imply that if such occurred we would *not* send the Marines?

With relation to his second point, he has overlooked my use of the word "actively." I wrote: "He declares that the United States did not actively intervene in the Guatemalan Civil War." He denies that he made such a statement. Yet on page 316 he wrote: "There is no evidence that we supplied Castillo Armas with guns and planes. . . ." It was in answer to this statement that I quoted *Time* magazine and *The Manchester Guardian* to the contrary.

On the third point we again come to a matter of semantics. I wrote: "One wishes that he had *accounted for* the ineffectiveness of our own representatives in the Central American and Caribbean areas for the past ten years." By that I meant that he had not *explained why,* although he had *reported* the fumbles made. He also overlooked my preceding paragraph in which I commented that "On occasion he mentions the failure of our officials to cope with the storm gathering there since 1944 but the leading villains in his piece are the 'Reds'."

I do not think that my question as to why our many experts operating in the Caribbean area could not have exposed the serious threats there before it was too late, was a "needless query" as Mr. James petulantly states. This is a question of fundamental military, economic and political importance and was not addressed to the author, but to the American public, which has not been kept adequately informed.

In conclusion I repeat that the only solution to the grave problems south of the Rio Grande is a genuine restoration of the genuine Good Neighbor Policy. Mr. James makes only one reference to it, on page 159.

BETTY KIRK

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